

FEDERAL-AID HIGHWAY AND HIGHWAY REVENUE
ACTS OF 1956

JUNE 25, 1956.—Ordered to be printed

Mr. FALLON, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany H. R. 10660]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

TITLE I

The managers on the part of the House and the managers on the part of the Senate as to title I of the bill having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

TITLE I—FEDERAL-AID HIGHWAY ACT OF 1956

SEC. 101. SHORT TITLE FOR TITLE I.

This title may be cited as the "Federal-Aid Highway Act of 1956".

SEC. 102. FEDERAL-AID HIGHWAYS.

(a) (1) *AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of the Federal-Aid Road Act approved July*

11, 1916 (39 Stat. 355), and all Acts amendatory thereof and supplementary thereto, there is hereby authorized to be appropriated for the fiscal year ending June 30, 1957, \$125,000,000 in addition to any sums heretofore authorized for such fiscal year; the sum of \$850,000,000 for the fiscal year ending June 30, 1958; and the sum of \$875,000,000 for the fiscal year ending June 30, 1959. The sums herein authorized for each fiscal year shall be available for expenditure as follows:

(A) 45 per centum for projects on the Federal-aid primary highway system.

(B) 30 per centum for projects on the Federal-aid secondary highway system.

(C) 25 per centum for projects on extensions of these systems within urban areas.

(2) **APPORTIONMENTS.**—The sums authorized by this section shall be apportioned among the several States in the manner now provided by law and in accordance with the formulas set forth in section 4 of the Federal-Aid Highway Act of 1944, approved December 20, 1944 (58 Stat. 838): Provided, That the additional amount herein authorized for the fiscal year ending June 30, 1957, shall be apportioned immediately upon enactment of this Act.

(b) **AVAILABILITY FOR EXPENDITURE.**—Any sums apportioned to any State under this section shall be available for expenditure in that State for two years after the close of the fiscal year for which such sums are authorized, and any amounts so apportioned remaining unexpended at the end of such period shall lapse: Provided, That such funds shall be deemed to have been expended if a sum equal to the total of the sums herein and heretofore apportioned to the State is covered by formal agreements with the Secretary of Commerce for construction, reconstruction, or improvement of specific projects as provided in this title and prior Acts: Provided further, That in the case of those sums heretofore, herein, or hereafter apportioned to any State for projects on the Federal-aid secondary highway system, the Secretary of Commerce may, upon the request of any State, discharge his responsibility relative to the plans, specifications, estimates, surveys, contract awards, design, inspection, and construction of such secondary road projects by his receiving and approving a certified statement by the State highway department setting forth that the plans, design, and construction for such projects are in accord with the standards and procedures of such State applicable to projects in this category approved by him: Provided further, That such approval shall not be given unless such standards and procedures are in accordance with the objectives set forth in section 1 (b) of the Federal-Aid Highway Act of 1950: And provided further, That nothing contained in the foregoing provisos shall be construed to relieve any State of its obligation now provided by law relative to maintenance, nor to relieve the Secretary of Commerce of his obligation with respect to the selection of the secondary system or the location of projects thereon, to make a final inspection after construction of each project, and to require an adequate showing of the estimated and actual cost of construction of each project. Any Federal-aid primary, secondary, or urban funds released by the payment of the final voucher or by modification of the formal project agreement shall be credited to the same class of funds, primary, secondary, or urban, previously apportioned to the State and be immediately available for expenditure.

(c) **TRANSFERS OF APPORTIONMENTS.**—Not more than 20 per centum of the respective amounts apportioned to a State for any fiscal year from

funds made available for expenditure under clause (A), clause (B), or clause (C) of subsection (a) (1) of this section, may be transferred to the apportionment made to such State under any other of such clauses, except that no such apportionment may be increased by more than 20 per centum by reason of transfers to it under this subsection: Provided, That such transfer is requested by the State highway department and is approved by the Governor of such State and the Secretary of Commerce as being in the public interest: Provided further, That the transfers hereinabove permitted for funds authorized to be appropriated for the fiscal years ending June 30, 1958, and June 30, 1959, shall likewise be permitted on the same basis for funds which may be hereafter authorized to be appropriated for any subsequent fiscal year: And provided further, That nothing herein contained shall be deemed to alter or impair the authority contained in the last proviso to paragraph (b) of section 3 of the Federal-Aid Highway Act of 1944.

SEC. 103. FOREST HIGHWAYS AND FOREST DEVELOPMENT ROADS AND TRAILS.

(a) **AUTHORIZATION OF APPROPRIATIONS.**—For the purpose of carrying out the provisions of section 23 of the Federal Highway Act of 1921 (42 Stat. 218), as amended and supplemented, there is hereby authorized to be appropriated (1) for forest highways the sum of \$30,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959; and (2) for forest development roads and trails the sum of \$27,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959: Provided, That with respect to any proposed construction or reconstruction of a timber access road, advisory public hearings shall be held at a place convenient or adjacent to the area of construction or reconstruction with notice and reasonable opportunity for interested persons to present their views as to the practicability and feasibility of such construction or reconstruction: Provided further, That hereafter funds available for forest highways and forest development roads and trails shall also be available for adjacent vehicular parking areas and for sanitary, water, and fire control facilities: And provided further, That the appropriation herein authorized for forest highways shall be apportioned by the Secretary of Commerce for expenditure in the several States, Alaska, and Puerto Rico in accordance with the provisions of section 3 of the Federal-Aid Highway Act of 1950.

(b) **REPEAL OF CERTAIN APPORTIONMENT PROCEDURES.**—The provision of section 23 of the Federal Highway Act of 1921, as amended and supplemented, requiring apportionment of funds authorized for forest development roads and trails among the several States, Alaska, and Puerto Rico is hereby repealed.

SEC. 104. ROADS AND TRAILS IN NATIONAL PARKS, ETC.

(a) **NATIONAL PARKS, ETC.**—For the construction, reconstruction, and improvement of roads and trails, inclusive of necessary bridges, in national parks, monuments, and other areas administered by the National Park Service, including areas authorized to be established as national parks and monuments, and national park and monument approach roads authorized by the Act of January 31, 1931 (46 Stat. 1053), as amended, there is hereby authorized to be appropriated the sum of \$16,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959.

(b) **PARKWAYS.**—For the construction, reconstruction, and improvement of parkways, authorized by Acts of Congress, on lands to which

title is vested in the United States, there is hereby authorized to be appropriated the sum of \$16,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959.

(c) **INDIAN RESERVATIONS AND LANDS.**—For the construction, improvement, and maintenance of Indian reservation roads and bridges and roads and bridges to provide access to Indian reservations and Indian lands under the provisions of the Act approved May 26, 1928 (45 Stat. 750), there is hereby authorized to be appropriated the sum of \$12,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959: *Provided*, That the location, type, and design of all roads and bridges constructed shall be approved by the Secretary of Commerce before any expenditures are made thereon, and all such construction shall be under the general supervision of the Secretary of Commerce.

SEC. 105. PUBLIC LANDS HIGHWAYS.

For the purpose of carrying out the provisions of section 10 of the Federal-Aid Highway Act of 1950 (64 Stat. 785), there is hereby authorized to be appropriated for the survey, construction, reconstruction, and maintenance of main roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations the additional sum of \$2,000,000 for the fiscal year ending June 30, 1957, and the sum of \$2,000,000 for the fiscal year ending June 30, 1958, and a like sum for the fiscal year ending June 30, 1959.

SEC. 106. SPECIAL PROVISIONS FOR FEDERAL DOMAIN ROADS, ETC.

Any funds authorized herein for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be available for contract upon apportionment, or a date not earlier than one year preceding the beginning of the fiscal year for which authorized if no apportionment is required: *Provided*, That any amount remaining unexpended two years after the close of the fiscal year for which authorized shall lapse. The Secretary of the department charged with the administration of such funds is hereby granted authority to incur obligations, approve projects, and enter into contracts under such authorizations, and his action in doing so shall be deemed a contractual obligation of the Federal Government for the payment of the cost thereof, and such funds shall be deemed to have been expended when so obligated. Any funds heretofore, herein, or hereafter authorized for any fiscal year for forest highways, forest development roads and trails, park roads and trails, parkways, Indian roads, and public lands highways shall be deemed to have been expended if a sum equal to the total of the sums authorized for such fiscal year and previous fiscal years since and including the fiscal year ending June 30, 1955, shall have been obligated. Any of such funds released by payment of final voucher or modification of project authorizations shall be credited to the balance of unobligated authorizations and be immediately available for expenditure.

SEC. 107. HIGHWAYS FOR ALASKA.

(a) **APPORTIONMENT; MATCHING; SELECTION OF SYSTEMS.**—The Territory of Alaska shall be entitled to share in funds herein or hereafter authorized for expenditure for projects on the Federal-aid primary and secondary highway systems, and extensions thereof within urban areas, under the Federal-Aid Road Act approved July 11, 1916 (39 Stat. 355),

and Acts amendatory thereof or supplementary thereto, upon the same terms and conditions as the several States and Hawaii and Puerto Rico, and the Territory of Alaska shall be included in the calculations to determine the basis of apportionment of such funds, except that one-third only of the area of Alaska shall be used in the calculations to determine the area factor in the apportionment of such funds: *Provided*, That the Territory of Alaska shall contribute funds each fiscal year in an amount that shall be not less than 10 per centum of the Federal funds apportioned to it for such fiscal year, such contribution to be deposited in a special account in the Federal Treasury for use in conjunction with the Federal funds apportioned to the Territory. The system or systems of roads on which Federal-aid apportionments to the Territory of Alaska are to be expended shall be determined and agreed upon by the Governor of Alaska, the Territorial Highway Engineer of Alaska, and the Secretary of Commerce, without regard to the limitations contained in section 6 of the Federal Highway Act (42 Stat. 212), as amended and supplemented. The Federal funds apportioned to the Territory of Alaska and the funds contributed by such Territory in accordance herewith may be expended by the Secretary of Commerce either directly or in cooperation with the Territorial Board of Road Commissioners of Alaska, and may be so expended separately or in combination and without regard to the matching provisions of the Federal Highway Act (42 Stat. 212); and both such funds may be expended for the maintenance of roads within the system or systems of roads agreed upon under the same terms and conditions as for the construction of such roads.

(b) *TRANSFER OF FUNCTIONS*.—Effective not more than ninety days after the approval of this Act, the functions, duties, and authority pertaining to the construction, repair, and maintenance of roads, tramways, ferries, bridges, trails, and other works in Alaska, conferred upon the Department of the Interior and heretofore administered by the Secretary of the Interior under the Act of June 30, 1932 (47 Stat. 446; 48 U. S. C., sec. 321a and following), are hereby transferred to the Department of Commerce, and thereafter shall be administered by the Secretary of Commerce, or under his direction, by such officer, or officers, as may be designated by him.

(c) *TRANSFER OF PERSONNEL, ETC.*—There are hereby transferred to the Department of Commerce, to be employed and expended in connection with the functions, duties, and authority transferred to said Department by subsection (b) hereof, all personnel employed in connection with any such functions, duties, or authority, and the unexpended balances of appropriations, allocations, or other funds now available, or that hereafter may be made available, for use in connection with such functions, duties, or authority; and the Department of the Interior is directed to turn over to the Secretary of Commerce all equipment, materials, supplies, papers, maps, and documents, or other property (real or personal, and including office equipment and records) used or held in connection with such functions, duties, and authority.

(d) *EFFECTUATION OF TRANSFER*.—The Secretary of the Interior and the Secretary of Commerce shall take such steps as may be necessary or appropriate to effect the transfer from the Department of the Interior to the Department of Commerce of the functions, duties, and authority, and the funds and property, as herein provided for.

(e) *DISTRIBUTION OF FUNCTIONS*.—The Secretary of Commerce shall have power, by order or regulations, to distribute the functions, duties,

and authority hereby transferred, and appropriations pertaining thereto, as he may deem proper to accomplish the economical and effective organization and administration thereof.

SEC. 108. NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS.

(a) *INTERSTATE SYSTEM.*—It is hereby declared to be essential to the national interest to provide for the early completion of the "National System of Interstate Highways", as authorized and designated in accordance with section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838). It is the intent of the Congress that the Interstate System be completed as nearly as practicable over a thirteen-year period and that the entire System in all the States be brought to simultaneous completion. Because of its primary importance to the national defense, the name of such system is hereby changed to the "National System of Interstate and Defense Highways". Such National System of Interstate and Defense Highways is hereinafter in this Act referred to as the "Interstate System".

(b) *AUTHORIZATION OF APPROPRIATIONS.*—For the purpose of expediting the construction, reconstruction, or improvement, inclusive of necessary bridges and tunnels, of the Interstate System, including extensions thereof through urban areas, designated in accordance with the provisions of section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), there is hereby authorized to be appropriated the additional sum of \$1,000,000,000 for the fiscal year ending June 30, 1957, which sum shall be in addition to the authorization heretofore made for that year, the additional sum of \$1,700,000,000 for the fiscal year ending June 30, 1958, the additional sum of \$2,000,000,000 for the fiscal year ending June 30, 1959, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1960, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1961, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1962, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1963, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1964, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1965, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1966, the additional sum of \$2,200,000,000 for the fiscal year ending June 30, 1967, the additional sum of \$1,500,000,000 for the fiscal year ending June 30, 1968, and the additional sum of \$1,025,000,000 for the fiscal year ending June 30, 1969.

(c) *APPORTIONMENTS FOR 1957, 1958, AND 1959.*—The additional sums herein authorized for the fiscal years ending June 30, 1957, June 30, 1958, and June 30, 1959, shall be apportioned among the several States in the following manner: one-half in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census: Provided, That no State shall receive less than three-fourths of 1 per centum of the money so apportioned; and one-half in the manner now provided by law for the apportionment of funds for the Federal-aid primary system. The additional sum herein authorized for the fiscal year ending June 30, 1957, shall be apportioned immediately upon enactment of this Act. The additional sums herein authorized for the fiscal years ending June 30, 1958, and June 30, 1959, shall be apportioned on a date not less than six months and not more than twelve months in advance of the beginning of the fiscal year for which authorized.

(d) *APPORTIONMENTS FOR SUBSEQUENT YEARS BASED UPON REVISED ESTIMATES OF COST.*—All sums authorized by this section to be appro-

apportioned for the fiscal years 1960 through 1969, inclusive, shall be apportioned among the several States in the ratio which the estimated cost of completing the Interstate System in each State, as determined and approved in the manner provided in this subsection, bears to the sum of the estimated cost of completing the Interstate System in all of the States. Each apportionment herein authorized for the fiscal years 1960 through 1969, inclusive, shall be made on a date as far in advance of the beginning of the fiscal year for which authorized as practicable but in no case more than eighteen months prior to the beginning of the fiscal year for which authorized. As soon as the standards provided for in subsection (i) have been adopted, the Secretary of Commerce, in cooperation with the State highway departments, shall make a detailed estimate of the cost of completing the Interstate System as then designated, after taking into account all previous apportionments made under this section, based upon such standards and in accordance with rules and regulations adopted by him and applied uniformly to all of the States. The Secretary of Commerce shall transmit such estimate to the Senate and the House of Representatives within ten days subsequent to January 2, 1958. Upon approval of such estimate by the Congress by concurrent resolution, the Secretary of Commerce shall use such approved estimate in making apportionments for the fiscal years ending June 30, 1960, June 30, 1961, and June 30, 1962. The Secretary of Commerce shall make a revised estimate of the cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1962. Upon approval of such estimate by the Congress by concurrent resolution, the Secretary of Commerce shall use such approved estimate in making apportionments for the fiscal years ending June 30, 1963, June 30, 1964, June 30, 1965, and June 30, 1966. The Secretary of Commerce shall make a revised estimate of the cost of completing the then designated Interstate System, after taking into account all previous apportionments made under this section, in the same manner as stated above, and transmit the same to the Senate and the House of Representatives within ten days subsequent to January 2, 1966, and annually thereafter through and including January 2, 1968. Upon approval of any such estimate by the Congress by concurrent resolution, the Secretary of Commerce shall use such approved estimate in making apportionments for the fiscal year which begins next following the fiscal year in which such report is transmitted to the Senate and the House of Representatives. Whenever the Secretary of Commerce, pursuant to this subsection, requests and receives estimates of cost from the State highway departments, he shall furnish copies of such estimates at the same time to the Senate and the House of Representatives.

(e) **FEDERAL SHARE.**—The Federal share payable on account of any project on the Interstate System provided for by funds made available under the provisions of this section shall be increased to 90 per centum of the total cost thereof, plus a percentage of the remaining 10 per centum of such cost in any State containing unappropriated and unreserved public lands and nontaxable Indian lands, individual and tribal, exceeding 5 per centum of the total area of all lands therein, equal to the percentage that the area of such lands in such State is of its total area: Provided, That such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of such project.

(f) *AVAILABILITY FOR EXPENDITURE.*—Any sums apportioned to any State under the provisions of this section shall be available for expenditure in that State for two years after the close of the fiscal year for which such sums are authorized: *Provided, That such funds for any fiscal year shall be deemed to be expended if a sum equal to the total of the sums apportioned to the State specifically for the Interstate System for such fiscal year and previous fiscal years is covered by formal agreements with the Secretary of Commerce for the construction, reconstruction, or improvement of specific projects under this section.*

(g) *LAPSE OF AMOUNTS APPORTIONED.*—Any amount apportioned to the States under the provisions of this section unexpended at the end of the period during which it is available for expenditure under the terms of subsection (f) of this section shall lapse, and shall immediately be reapportioned among the other States in accordance with the provisions of subsection (d) of this section: *Provided, That any Interstate System funds released by the payment of the final voucher or by the modification of the formal project agreement shall be credited to the Interstate System funds previously apportioned to the State and be immediately available for expenditure.*

(h) *CONSTRUCTION BY STATES IN ADVANCE OF APPORTIONMENT.*—In any case in which a State has obligated all funds apportioned to it under this section and proceeds, subsequent to the date of enactment of this Act, to construct (without the aid of Federal funds) any project (including one or more parts of any project) on the Interstate System, as designated at that time, in accordance with all procedures and all requirements applicable to projects financed under the provisions of this section (except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it), the Secretary of Commerce, upon application by such State and his approval of such application, is authorized, whenever additional funds are apportioned to such State under this section, to pay to such State from such funds the Federal share of the costs of construction of such project: *Provided, That prior to construction of any such project, the plans and specifications therefor shall have been approved by the Secretary of Commerce in the same manner as other projects on the Interstate System: Provided further, That any such project shall conform to the standards adopted under subsection (i). In determining the apportionment for any fiscal year under the provisions of subsection (d) of this section, any such project constructed by a State without the aid of Federal funds shall not be considered completed until an application under the provisions of this subsection with respect to such project has been approved by the Secretary of Commerce.*

(i) *STANDARDS.*—The geometric and construction standards to be adopted for the Interstate System shall be those approved by the Secretary of Commerce in cooperation with the State highway departments. Such standards shall be adequate to accommodate the types and volumes of traffic forecast for the year 1975. The right-of-way width of the Interstate System shall be adequate to permit construction of projects on the Interstate System up to such standards. The Secretary of Commerce shall apply such standards uniformly throughout the States. Such standards shall be adopted by the Secretary of Commerce in cooperation with the State highway departments as soon as practicable after the enactment of this Act.

(j) *MAXIMUM WEIGHT AND WIDTH LIMITATIONS.*—No funds authorized to be appropriated for any fiscal year by this section shall be appor-

tioned to any State within the boundaries of which the Interstate System may lawfully be used by vehicles with weight in excess of eighteen thousand pounds carried on any one axle, or with a tandem-axle weight in excess of thirty-two thousand pounds, or with an overall gross weight in excess of 73,280 pounds, or with a width in excess of 96 inches, or the corresponding maximum weights or maximum widths permitted for vehicles using the public highways of such State under laws or regulations established by appropriate State authority in effect on July 1, 1956, whichever is the greater. Any amount which is withheld from apportionment to any State pursuant to the foregoing provisions shall lapse: Provided, however, That nothing herein shall be construed to deny apportionment to any State allowing the operation within such State of any vehicles or combinations thereof that could be lawfully operated within such State on July 1, 1956.

(k) **TESTS TO DETERMINE MAXIMUM DESIRABLE DIMENSIONS AND WEIGHTS.**—The Secretary of Commerce is directed to take all action possible to expedite the conduct of a series of tests now planned or being conducted by the Highway Research Board of the National Academy of Sciences, in cooperation with the Bureau of Public Roads, the several States, and other persons and organizations, for the purpose of determining the maximum desirable dimensions and weights for vehicles operated on the Federal-aid highway systems, including the Interstate System, and, after the conclusion of such tests, but not later than March 1, 1959, to make recommendations to the Congress with respect to such maximum desirable dimensions and weights.

(l) **INCREASE IN MILEAGE.**—Section 7 of the Federal-Aid Highway Act of 1944 (58 Stat. 838), relating to the Interstate System, is hereby amended by striking out "forty thousand", and inserting in lieu thereof "forty-one thousand": Provided, That the cost of completing any mileage designated from the one thousand additional miles authorized by this subsection shall be excluded in making the estimates of cost for completing the Interstate System as provided in subsection (d) of this section.

SEC. 109. ACQUISITION OF RIGHTS-OF-WAY FOR INTERSTATE SYSTEM.

(a) **FEDERAL ACQUISITION FOR STATES.**—In any case in which the Secretary of Commerce is requested by any State to acquire any lands or interests in lands (including within the term "interests in lands", the control of access thereto from adjoining lands) required by such State for right-of-way or other purposes in connection with the prosecution of any project for the construction, reconstruction, or improvement of any section of the Interstate System, the Secretary of Commerce is authorized, in the name of the United States and prior to the approval of title by the Attorney General, to acquire, enter upon, and take possession of such lands or interests in lands by purchase, donation, condemnation, or otherwise in accordance with the laws of the United States (including the Act of February 26, 1931, 46 Stat. 1421), if—

(1) the Secretary of Commerce has determined either that such State is unable to acquire necessary lands or interests in lands, or is unable to acquire such lands or interests in lands with sufficient promptness; and

(2) such State has agreed with the Secretary of Commerce to pay, at such time as may be specified by the Secretary of Commerce, an amount equal to 10 per centum of the costs incurred by the Secretary of Commerce, in acquiring such lands or interests in lands, or

such lesser percentage which represents the State's pro rata share of project costs as determined in accordance with section 108 (e) of this title.

The authority granted by this section shall also apply to lands and interests in lands received as grants of land from the United States and owned or held by railroads or other corporations.

(b) **COSTS OF ACQUISITION.**—The costs incurred by the Secretary of Commerce in acquiring any such lands or interests in lands may include the cost of examination and abstract of title, certificate of title, advertising, and any fees incidental to such acquisition. All costs incurred by the Secretary of Commerce in connection with the acquisition of any such lands or interests in lands shall be paid from the funds for construction, reconstruction, or improvement of the Interstate System apportioned to the State upon the request of which such lands or interests in lands are acquired, and any sums paid to the Secretary of Commerce by such State as its share of the costs of acquisition of such lands or interests in lands shall be deposited in the Treasury to the credit of the appropriation for Federal-aid highways and shall be credited to the amount apportioned to such State as its apportionment of funds for construction, reconstruction, or improvement of the Interstate System, or shall be deducted from other moneys due the State for reimbursement under section 108 of this title.

(c) **CONVEYANCE OF ACQUIRED LANDS TO THE STATES.**—The Secretary of Commerce is further authorized and directed by proper deed, executed in the name of the United States, to convey any such lands or interests in lands acquired in any State under the provisions of this section, except the outside five feet of any such right-of-way in any State which does not provide control of access, to the State highway department of such State or such political subdivisions thereof as its laws may provide, upon such terms and conditions as to such lands or interests in lands as may be agreed upon by the Secretary of Commerce and the State highway department or political subdivisions to which the conveyance is to be made. Whenever the State makes provision for control of access satisfactory to the Secretary of Commerce, the outside five feet then shall be conveyed to the State by the Secretary of Commerce, as herein provided.

(d) **RIGHTS-OF-WAY OVER PUBLIC LANDS.**—Whenever rights-of-way, including control of access, on the Interstate System are required over public lands or reservations of the United States, the Secretary of Commerce may make such arrangements with the agency having jurisdiction over such lands as may be necessary to give the State or other person constructing the projects on such lands adequate rights-of-way and control of access thereto from adjoining lands, and any such agency is hereby directed to cooperate with the Secretary of Commerce in this connection.

SEC. 110. AVAILABILITY OF FUNDS TO ACQUIRE RIGHTS-OF-WAY AND TO MAKE ADVANCES TO THE STATES.

(a) **ADVANCE RIGHT-OF-WAY ACQUISITIONS.**—For the purpose of facilitating the acquisition of rights-of-way on any of the Federal-aid highway systems, including the Interstate System, in the most expeditious and economical manner, and recognizing that the acquisition of rights-of-way requires lengthy planning and negotiations if it is to be done at a reasonable cost, the Secretary of Commerce is hereby authorized, upon request of a State highway department, to make available to such State for acquisition of rights-of-way, in anticipation of construction and under

such rules and regulations as the Secretary of Commerce may prescribe, the funds apportioned to such State for expenditure on any of the Federal-aid highway systems, including the Interstate System: *Provided*, That the agreement between the Secretary of Commerce and the State highway department for the reimbursement of the cost of such rights-of-way shall provide for the actual construction of a road on such rights-of-way within a period not exceeding five years following the fiscal year in which such request is made: *Provided further*, That Federal participation in the cost of rights-of-way so acquired shall not exceed the Federal pro rata share applicable to the class of funds from which Federal reimbursement is made.

(b) **ADVANCES TO STATES.**—Section 6 of the Federal-Aid Highway Act of 1944 is hereby amended to read as follows:

"**SEC. 6.** If the Secretary of Commerce shall determine that it is necessary for the expeditious completion of projects on any of the Federal-aid highway systems, including the Interstate System, he may advance to any State out of any existing appropriations the Federal share of the cost of construction thereof to enable the State highway department to make prompt payments for acquisition of rights-of-way, and for construction as it progresses. The sums so advanced shall be deposited in a special revolving trust fund, by the State official authorized under the laws of the State to receive Federal-aid highway funds, to be disbursed solely upon vouchers approved by the State highway department for rights-of-way which have been or are being acquired, and for construction which has been actually performed and approved by the Secretary of Commerce. Upon determination by the Secretary of Commerce that any part of the funds advanced to any State under the provisions of this section are no longer required, the amount of the advance which is determined to be in excess of current requirements of the State shall be repaid upon his demand, and such repayments shall be returned to the credit of the appropriation from which the funds were advanced. Any sums advanced and not repaid on demand shall be deducted from sums due the State for the Federal pro rata share of the cost of construction of Federal-aid projects."

SEC. 111. RELOCATION OF UTILITY FACILITIES.

(a) **AVAILABILITY OF FEDERAL FUNDS FOR REIMBURSEMENT TO STATES.**—Subject to the conditions contained in this section, whenever a State shall pay for the cost of relocation of utility facilities necessitated by the construction of a project on the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas, Federal funds may be used to reimburse the State for such cost in the same proportion as Federal funds are expended on the project: *Provided*, That Federal funds shall not be apportioned to the States under this section when the payment to the utility violates the law of the State or violates a legal contract between the utility and the State.

(b) **UTILITY DEFINED.**—For the purposes of this section, the term "utility" shall include publicly, privately, and cooperatively owned utilities.

(c) **COST OF RELOCATION DEFINED.**—For the purposes of this section, the term "cost of relocation" shall include the entire amount paid by such utility properly attributable to such relocation after deducting therefrom any increase in the value of the new facility and any salvage value derived from the old facility.

SEC. 112. AGREEMENTS RELATING TO USE OF AND ACCESS TO RIGHTS-OF-WAY.

All agreements between the Secretary of Commerce and the State highway department for the construction of projects on the Interstate System shall contain a clause providing that the State will not add any points of access to, or exit from, the project in addition to those approved by the Secretary in the plans for such project, without the prior approval of the Secretary. Such agreements shall also contain a clause providing that the State will not permit automotive service stations or other commercial establishments for serving motor vehicle users to be constructed or located on the rights-of-way of the Interstate System. Such agreements may, however, authorize a State or political subdivision thereof to use the air space above and below the established grade line of the highway pavement for the parking of motor vehicles provided such use does not interfere in any way with the free flow of traffic on the Interstate System.

SEC. 113. TOLL ROADS, BRIDGES, AND TUNNELS.

(a) **APPROVAL AS PART OF INTERSTATE SYSTEM.**—Upon a finding by the Secretary of Commerce that such action will promote the development of an integrated Interstate System, the Secretary is authorized to approve as part of the Interstate System any toll road, bridge, or tunnel, now or hereafter constructed which meets the standards adopted for the improvement of projects located on the Interstate System, whenever such toll road, bridge, or tunnel is located on a route heretofore or hereafter designated as a part of the Interstate System: Provided, That no Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll road except to the extent hereafter permitted by law: Provided further, That no Federal-aid highway funds shall be expended for the construction, reconstruction, or improvement of any such toll bridge or tunnel except to the extent now or hereafter permitted by law.

(b) **APPROACHES HAVING OTHER USE.**—The funds authorized under this title, or under prior Acts, shall be available for expenditure on projects approaching any toll road, bridge, or tunnel to a point where such project will have some use irrespective of its use for such toll road, bridge, or tunnel.

(c) **APPROACHES HAVING NO OTHER USE.**—The funds authorized under section 108 (b) of this title, or under prior Acts, shall be available for expenditure on Interstate System projects approaching any toll road on the Interstate System, even though the project has no use other than as an approach to such toll road: Provided, That agreement satisfactory to the Secretary of Commerce has been reached with the State prior to approval of any such project (1) that the section of toll road will become free to the public upon the collection of tolls sufficient to liquidate the cost of the toll road or any bonds outstanding at the time constituting a valid lien against said section of toll road covered in the agreement and their maintenance and operation and debt service during the period of toll collections, and (2) that there is one or more reasonably satisfactory alternate free routes available to traffic by which the toll section of the System may be bypassed.

(d) **EFFECT ON CERTAIN PRIOR ACTS.**—Nothing in this title shall be deemed to repeal the Act approved March 3, 1927 (44 Stat. 1398), or

subsection (g) of section 204 of the National Industrial Recovery Act (48 Stat. 200), and such Acts are hereby amended to include tunnels as well as bridges.

SEC. 114. DETERMINATION OF POLICY WITH RESPECT TO REIMBURSEMENT FOR CERTAIN HIGHWAYS.

It is hereby declared to be the intent and policy of the Congress to determine whether or not the Federal Government should equitably reimburse any State for a portion of a highway which is on the Interstate System, whether toll or free, the construction of which has been completed subsequent to August 2, 1947, or which is either in actual use or under construction by contract, for completion, awarded not later than June 30, 1957: Provided, That such highway meets the standards required by this title for the Interstate System. The time, method, and amounts of such reimbursement, if any, shall be determined by the Congress following a study which the Secretary of Commerce is hereby authorized and directed to conduct, in cooperation with the State highway departments, and other agencies as may be required, to determine which highways in the Interstate System measure up to the standards required by this title, including all related factors of cost, depreciation, participation of Federal funds, and any other items relevant thereto. A complete report of the results of such study shall be submitted to the Congress within ten days subsequent to January 2, 1958.

SEC. 115. PREVAILING RATE OF WAGE.

(a) *APPLICATION OF DAVIS-BACON ACT.*—The Secretary of Commerce shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on the initial construction work performed on highway projects on the Interstate System authorized under section 108 of this title shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of August 30, 1935, known as the Davis-Bacon Act (40 U. S. C., sec. 276-a).

(b) *CONSULTATION WITH STATE HIGHWAY DEPARTMENTS; PREDETERMINATION OF RATES.*—In carrying out the duties of the foregoing subsection, the Secretary of Labor shall consult with the highway department of the State in which a project on the Interstate System is to be performed. After giving due regard to the information thus obtained, he shall make a predetermination of the minimum wages to be paid laborers and mechanics in accordance with the provisions of the foregoing subsection which shall be set out in each project advertisement for bids and in each bid proposal form and shall be made a part of the contract covering the project.

SEC. 116. DECLARATIONS OF POLICY WITH RESPECT TO FEDERAL-AID HIGHWAY PROGRAM.

(a) *ACCELERATION OF PROGRAM.*—It is hereby declared to be in the national interest to accelerate the construction of the Federal-aid highway systems, including the Interstate System, since many of such highways, or portions thereof, are in fact inadequate to meet the needs of local and interstate commerce, the national and the civil defense.

(b) *COMPLETION OF INTERSTATE SYSTEM; PROGRESS REPORT ON FEDERAL-AID HIGHWAY PROGRAM.*—It is further declared that one of the most important objectives of this Act is the prompt completion of

the Interstate System. Insofar as possible in consonance with this objective, existing highways located on an interstate route shall be used to the extent that such use is practicable, suitable, and feasible, it being the intent that local needs, to the extent practicable, suitable, and feasible, shall be given equal consideration with the needs of interstate commerce. The Secretary of Commerce is hereby directed to submit to the Congress not later than February 1, 1959, a report on the progress made in attaining the objectives set forth in this subsection and in subsection (a), together with recommendations.

(c) *PUBLIC HEARINGS.*—Any State highway department which submits plans for a Federal-aid highway project involving the bypassing of, or going through, any city, town, or village, either incorporated or unincorporated, shall certify to the Commissioner of Public Roads that it has had public hearings, or has afforded the opportunity for such hearings, and has considered the economic effects of such a location: Provided, That, if such hearings have been held, a copy of the transcript of said hearings shall be submitted to the Commissioner of Public Roads, together with the certification.

(d) *PARTICIPATION BY SMALL BUSINESS ENTERPRISES.*—It is hereby declared to be in the national interest to encourage and develop the actual and potential capacity of small business and to utilize this important segment of our economy to the fullest practicable extent in construction of the Federal-aid highway systems, including the Interstate System. In order to carry out that intent and encourage full and free competition, the Secretary of Commerce should assist, insofar as feasible, small business enterprises in obtaining contracts in connection with the prosecution of the highway program.

SEC. 117. HIGHWAY SAFETY STUDY.

The Secretary of Commerce is authorized and directed to make a full and complete investigation and study for the purpose of determining what action can be taken by the Federal Government to promote the public welfare by increasing highway safety in the United States. In making such investigation and study the Secretary of Commerce shall give consideration to—

- (1) the need for Federal assistance to State and local governments in the enforcement of necessary highway safety and speed requirements and the forms such assistance should take;
- (2) the advisability and practicability of uniform State and local highway safety and speed laws and what steps should be taken by the Federal Government to promote the adoption of such uniform laws;
- (3) possible means of promoting highway safety in the manufacture of the various types of vehicles used on the highways;
- (4) educational programs to promote highway safety;
- (5) the design and physical characteristics of highways; and
- (6) such other matters as it may deem advisable and appropriate.

Secretary of Commerce shall report his findings, together with such recommendations as he may deem advisable, to the Congress not later than March 1, 1959. The Secretary of Commerce shall conduct such study and investigation under the general authority contained in section 10 of the Federal-Aid Highway Act of 1954; except that the amount expended for the purposes of this section shall not exceed \$200,000.

SEC. 118. EMERGENCY FUND.

Section 7 of the Federal-Aid Highway Act of 1952 (66 Stat. 158) is hereby amended to read as follows:

"SEC. 7. There is hereby authorized an emergency fund in the amount of \$30,000,000 for expenditure by the Secretary of Commerce, in accordance with the provisions of the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, after receipt of an application therefor from the highway department of any State, in the repair or reconstruction of highways and bridges on the Federal-aid highway systems, including the Interstate System, which he shall find have suffered serious damage as the result of disaster over a wide area, such as by floods, hurricanes, tidal waves, earthquakes, severe storms, landslides, or other catastrophes in any part of the United States. The appropriation of such moneys as may be necessary for the establishment of the fund in accordance with the provisions of this section and for its replenishment on an annual basis is hereby authorized: Provided, That pending the appropriation of such sum, or its replenishment, the Secretary of Commerce may expend, from existing Federal-aid highway appropriations, such sums as may be necessary for the immediate prosecution of the work herein authorized, such appropriations to be reimbursed from the appropriation herein authorized when made: Provided further, That no expenditures shall be made hereunder with respect to any such catastrophe in any State unless an emergency has been declared by the Governor of such State and concurred in by the Secretary of Commerce: Provided further, That the Federal share payable on account of any repair or reconstruction project provided for by funds made available under this section shall not exceed 50 per centum of the cost thereof: And provided further, That the funds herein authorized shall be available for use on any projects programed and approved at any time during the fiscal year ending June 30, 1956, and thereafter, which meet the provisions of this section, including projects which may have been previously approved during the fiscal year ending June 30, 1956, from any other category of funds under the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented."

SEC. 119. DEFINITION OF CONSTRUCTION.

The definition of the term "construction" in section 1 of the Federal-Aid Highway Act of 1944 is hereby amended by inserting after "mapping" the following: "(including the establishment of temporary and permanent geodetic markers in accordance with specifications of the Coast and Geodetic Survey in the Department of Commerce)".

SEC. 120. ARCHEOLOGICAL AND PALEONTOLOGICAL SALVAGE.

Funds authorized by this title to be appropriated, to the extent approved as necessary by the highway department of any State, may be used for archeological and paleontological salvage in that State in compliance with the Act entitled "An Act for the preservation of American antiquities", approved June 8, 1906 (34 Stat. 225), and State laws where applicable.

SEC. 121. MAPPING.

In carrying out the provisions of this title the Secretary of Commerce may, wherever practicable, authorize the use of photogrammetric methods in mapping, and the utilization of commercial enterprise for such services.

SEC. 122. RELATIONSHIP OF THIS TITLE TO OTHER ACTS; EFFECTIVE DATE.

All provisions of the Federal-Aid Road Act approved July 11, 1916, together with all Acts amendatory thereof or supplementary thereto, not inconsistent with this title, shall remain in full force and effect and be applicable hereto. All Acts or parts of Acts in any way inconsistent with the provisions of this title are hereby repealed. This title shall take effect on the date of the enactment of this Act.

And the Senate agree to the same.

CHARLES A. BUCKLEY
GEORGE H. FALLON,
CLIFFORD DAVIS,
JOHN A. BLATNIK,
GEO. A. DONDERO,
J. HARRY MCGREGOR,
JAMES C. AUCHINCLOSS,

Managers on the Part of the House.

DENNIS CHAVEZ
ROBT. S. KERR,
ALBERT GORE,
PAT McNAMARA,
EDWARD MARTIN,
FRANCIS CASE,
PRESCOTT BUSH,

Managers on the Part of the Senate.

TITLE II

The managers on the part of the House and the managers on the part of the Senate as to title II of the bill having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8, 17, and 23.

That the House recede from its disagreement to the amendments of the Senate numbered 4, 5, 6, 7, 11, 12, 13, 15, 18, 24, and 25 and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: , and by adding after paragraph (2) the following:

"In the case of a liquid taxable under this subsection sold for use or used as a fuel in a diesel-powered highway vehicle (A) which (at the time of such sale or use) is not registered, and is not required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a diesel-powered highway vehicle owned by the United States, is not used on the highway, the tax imposed by paragraph (1) or by paragraph (2) shall be 2 cents a gallon in lieu of 3 cents a gallon. If a liquid on which tax was imposed by paragraph (1) at the rate of 2 cents a gallon

by reason of the preceding sentence is used as a fuel in a diesel-powered highway vehicle (A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a diesel-powered highway vehicle owned by the United States, is used on the highway, a tax of 1 cent a gallon shall be imposed under paragraph (2)."

And the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"In the case of a liquid taxable under this subsection sold for use or used otherwise than as a fuel for the propulsion of a highway vehicle (A) which (at the time of such sale or use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway, the tax imposed by paragraph (1) or by paragraph (2) shall be 2 cents a gallon in lieu of 3 cents a gallon. If a liquid on which tax was imposed by paragraph (1) at the rate of 2 cents a gallon by reason of the preceding sentence is used as a fuel for the propulsion of a highway vehicle (A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (B) which, in the case of a highway vehicle owned by the United States, is used on the highway, a tax of 1 cent a gallon shall be imposed under paragraph (2)."

And the Senate agree to the same.

Amendment numbered 9:

That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows:

On page 29, line 13, of the Senate engrossed amendments, strike out "Department or agency" and in lieu thereof insert *agency or instrumentality*; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

Restore the matter proposed to be stricken out by the Senate amendment, and on page 41, line 2, of the House engrossed bill strike out "6416 (b) (2) (L) (i)" and in lieu thereof insert *6421 (b) (2)*; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(J) In the case of a liquid in respect of which tax was paid under section 4041 (a) (1) at the rate of 3 cents a gallon, used or

resold for use as a fuel in a diesel-powered highway vehicle (i) which (at the time of such use or resale) is not registered, and is not required to be registered, for highway use under the laws of any State or foreign country, or (ii) which, in the case of a diesel-powered highway vehicle owned by the United States, is not used on the highway; except that the amount of any overpayment by reason of this subparagraph shall not exceed an amount computed at the rate of 1 cent a gallon;

“(K) In the case of a liquid in respect of which tax was paid under section 4041 (b) (1) at the rate of 3 cents a gallon, used or resold for use otherwise than as a fuel for the propulsion of a highway vehicle (i) which (at the time of such use or resale) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (ii) which, in the case of a highway vehicle owned by the United States, is used on the highway; except that the amount of any overpayment by reason of this subparagraph shall not exceed an amount computed at the rate of 1 cent a gallon; And the Senate agree to the same.

Amendment numbered 16:

That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment as follows:

Strike out the matter proposed to be stricken out by the Senate amendment and insert in lieu thereof the following:

“(L) In the case of a liquid in respect of which tax was paid under section 4041 at the rate of 3 cents a gallon, used during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes; except that (i) this subparagraph shall apply only if the 60 percent passenger fare revenue test set forth in section 6421 (b) (2) is met with respect to such quarter, and (ii) the amount of such overpayment for such quarter shall be an amount determined by multiplying 1 cent for each gallon of liquid so used by the percentage which such person's tax-exempt passenger fare revenue (as defined in section 6421 (d) (2)) derived from such scheduled service during such quarter was of his total passenger fare revenue (not including the tax imposed by section 4261, relating to the tax on transportation of persons) derived from such scheduled service during such quarter; And the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

(c) *PAYMENTS TO ULTIMATE PURCHASERS.*—Subchapter B of chapter 65 (relating to rules of special application for abatements, credits, and refunds) is amended by renumbering section 6421 as 6422 and by inserting after section 6420 the following new section:

“SEC. 6421. GASOLINE USED FOR CERTAIN NONHIGHWAY PURPOSES OR BY LOCAL TRANSIT SYSTEMS.

“(a) *NONHIGHWAY USES.*—If gasoline is used otherwise than as a fuel in a highway vehicle (1) which (at the time of such use) is registered,

or is required to be registered, for highway use under the laws of any State or foreign country, or (2) which, in the case of a highway vehicle owned by the United States, is used on the highway, the Secretary or his delegate shall pay (without interest) to the ultimate purchaser of such gasoline an amount equal to 1 cent for each gallon of gasoline so used.

“(b) LOCAL TRANSIT SYSTEMS.—

“(1) ALLOWANCE.—If gasoline is used during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary or his delegate shall, subject to the provisions of paragraph (2), pay (without interest) to the ultimate purchaser of such gasoline the amount determined by multiplying—

“(A) 1 cent for each gallon of gasoline so used, by

“(B) the percentage which the ultimate purchaser's tax-exempt passenger fare revenue derived from such scheduled service during such quarter was of his total passenger fare revenue (not including the tax imposed by section 4261, relating to the tax on transportation of persons) derived from such scheduled service during such quarter.

“(2) LIMITATION.—Paragraph (1) shall apply in respect of gasoline used during any calendar quarter only if at least 60 percent of the total passenger fare revenue (not including the tax imposed by section 4261, relating to the tax on transportation of persons) derived during such quarter from scheduled service described in paragraph (1) by the person filing the claim was attributable to tax-exempt passenger fare revenue derived during such quarter by such person from such scheduled service.

“(c) TIME FOR FILING CLAIM; PERIOD COVERED.—Not more than one claim may be filed under subsection (a), and not more than one claim may be filed under subsection (b), by any person with respect to gasoline used during the one-year period ending on June 30 of any year. No claim shall be allowed under this section with respect to any one-year period unless filed on or before September 30 of the year in which such one-year period ends.

“(d) DEFINITIONS.—For purposes of this section—

“(1) GASOLINE.—The term ‘gasoline’ has the meaning given to such term by section 4082 (b).

“(2) TAX-EXEMPT PASSENGER FARE REVENUE.—The term ‘tax-exempt passenger fare revenue’ means revenue attributable to fares which were exempt from the tax imposed by section 4261 by reason of section 4262 (b) (relating to the exemption for commutation travel, etc.).

“(e) EXEMPT SALES; OTHER PAYMENTS OR REFUNDS AVAILABLE.—

“(1) EXEMPT SALES.—No amount shall be paid under this section with respect to any gasoline which the Secretary or his delegate determines was exempt from the tax imposed by section 4081. The amount which (but for this sentence) would be payable under this section with respect to any gasoline shall be reduced by any other amount which the Secretary or his delegate determines is payable under this section, or is refundable under any provision of this title, to any person with respect to such gasoline.

“(2) GASOLINE USED ON FARMS.—This section shall not apply in respect of gasoline which was (within the meaning of paragraphs (1), (2), and (3) of section 6420 (c)) used on a farm for farming purposes.

“(f) **APPLICABLE LAWS.**—

“(1) **IN GENERAL.**—All provisions of law, including penalties, applicable in respect of the tax imposed by section 4081 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds of overpayments of the tax so imposed.

“(2) **EXAMINATION OF BOOKS AND WITNESSES.**—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary or his delegate shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

“(g) **REGULATIONS.**—The Secretary or his delegate may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

“(h) **EFFECTIVE DATE.**—This section shall apply only with respect to gasoline purchased after June 30, 1956, and before July 1, 1972.

“(i) **CROSS REFERENCES.**—

“(1) For reduced rate of tax in case of diesel fuel and special motor fuels used for certain nonhighway purposes, see subsections (a) and (b) of section 4041.

“(2) For partial refund of tax in case of diesel fuel and special motor fuels used for certain nonhighway purposes, see section 6416 (b) (2) (J) and (K).

“(3) For partial refund of tax in case of diesel fuel and special motor fuels used by local transit systems, see section 6416 (b) (2) (L).

“(4) For civil penalty for excessive claims under this section, see section 6675.

“(5) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures).”

(d) **TECHNICAL AMENDMENTS.**—

(1) Section 6206 (relating to special rules applicable to excessive claims) is amended—

(A) by striking out “**SECTION 6420**” in the heading and inserting in lieu thereof “**SECTIONS 6420 AND 6421**”;

(B) by inserting after “6420” in the first sentence thereof “or 6421”; and

(C) by inserting after “6420” in the second sentence thereof “or 6421, as the case may be”.

(2) Section 6675 (relating to excessive claims for gasoline used on farms) is amended—

(A) by striking out “**FOR GASOLINE USED ON FARMS**” in the heading and inserting in lieu thereof “**WITH RESPECT TO THE USE OF CERTAIN GASOLINE**”;

(B) by inserting after “6420 (relating to gasoline used on farms)” in subsection (a) thereof “or 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems)”;

(C) by inserting after “6420” in subsection (b) thereof “or 6421, as the case may be”.

(3) Section 7210 (relating to failure to obey summons) is amended by inserting after “sections 6420 (e) (2),” the following: “6421 (f) (2),”.

(4) Section 7603 (relating to service of summons) and 7604 (relating to enforcement of summons) and the first sentence of section 7605 (relating to time and place of examination) are each amended by inserting after "section 6420 (e) (2)" wherever it appears a comma and the following: "6421 (f) (2)". The second sentence of section 7605 is amended by inserting after "section 6420 (e) (2)" the following: "or 6421 (f) (2)".

(e) **CLERICAL AMENDMENTS.**—

(1) Section 4084 is amended to read as follows:

"SEC. 4084. CROSS REFERENCES.

"(1) For provisions to relieve farmers from excise tax in the case of gasoline used on the farm for farming purposes, see section 6420.

"(2) For provisions to relieve purchasers of gasoline from excise tax in the case of gasoline used for certain nonhighway purposes or by local transit systems, see section 6421."

(2) The table of sections for subpart A of part III of subchapter A of chapter 32 is amended by striking out

"Sec. 4084. Relief of farmers from tax in case of gasoline used on the farm."

and inserting in lieu thereof

"Sec. 4084. Cross references."

(3) The table of sections for subchapter A of chapter 63 is amended by striking out

"Sec. 6206. Special rules applicable to excessive claims under section 6420."

and inserting in lieu thereof

"Sec. 6206. Special rules applicable to excessive claims under sections 6420 and 6421."

(4) The table of sections for subchapter B of chapter 65 is amended by striking out

"Sec. 6421. Cross references."

and inserting in lieu thereof

"Sec. 6421. Gasoline used for certain nonhighway purposes or by local transit systems.

"Sec. 6422. Cross references."

(5) Section 6504 is amended by adding at the end thereof the following:

"(14) Assessments to recover excessive amounts paid under section 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems) and assessments of civil penalties under section 6675 for excessive claims under section 6421, see section 6206."

(6) Section 6511 (f) is amended by adding at the end thereof the following:

"(6) For limitations in case of payments under section 6421 (relating to gasoline used for certain nonhighway purposes or by local transit systems), see section 6421 (c)."

(7) Section 6612 (c) is amended by striking out "and" before "6420" and by inserting before the period at the end thereof the following: ", and 6421 (relating to payments in the case of gasoline used for certain nonhighway purposes or by local transit systems)".

(8) *The table of sections for subchapter B of chapter 68 is amended by striking out*

"Sec. 6675. Excessive claims for gasoline used on farms."

and inserting in lieu thereof

"Sec. 6675. Excessive claims with respect to the use of certain gasoline."

And the Senate agree to the same.

Amendment numbered 20:

That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *AND FOR CERTAIN OTHER PURPOSES*; and the Senate agree to the same.

Amendment numbered 21:

That the House recede from its disagreement to the amendment of the Senate numbered 21, and agree to the same with an amendment as follows:

On page 39, line 2, of the Senate engrossed amendments strike out "purposes" and in lieu thereof insert *purposes or by local transit systems*; and the Senate agree to the same.

Amendment numbered 22:

That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with amendments as follows:

On page 39, line 19, of the Senate engrossed amendments, strike out "National System of Interstate Highways" and in lieu thereof insert *Interstate System*

On page 40, line 1, lines 5 and 6, line 9, and lines 19 and 20, of the Senate engrossed amendments, strike out "National System of Interstate Highways" each place it appears and in lieu thereof insert *Interstate System*

On page 41, lines 1 and 2, of the Senate engrossed amendments, strike out "National System of Interstate Highways" and in lieu thereof insert *Interstate System*

And the Senate agree to the same.

JERE COOPER,
W. D. MILLS,
HALE BOGGS,
DANIEL A. REED,
THOMAS A. JENKINS,

Managers on the Part of the House.

HARRY F. BYRD,
WALTER F. GEORGE,
ROBT. S. KERR,
E. D. MILLIKIN,
EDWARD MARTIN,

Managers on the Part of the Senate.

STATEMENT OF MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

TITLE I

The managers on the part of the House as to title I of the bill submit the following statement in explanation of the effect of the action agreed upon by the conferees as to title I of the bill and recommended in the accompanying conference report:

Amendment No. 1: This amendment, relating to the authorization for the Federal-aid highway program, contained a substitute for the provisions of title I of the bill as passed the House. The House recedes and agrees to the Senate amendment No. 1 with an amendment containing a substitute for both the language of title I as it passed the House and the language of title I as it passed the Senate. Except for technical, clerical, and conforming changes, the provisions of title I, as proposed under the accompanying conference report, are the same as the provisions of title I as passed the House, with the following changes:

SECTION 101. CITATION OF TITLE I

Section 101 of the House bill provided that title I of the bill might be cited as the "Federal Highway Act of 1956." Section 126 of the Senate amendment provided that title I of the bill might be cited as the "Federal-Aid Highway Act of 1956." Under the conference agreement, the citation provided by the Senate amendment is followed.

SECTION 102. PRIMARY AND SECONDARY SYSTEMS AND EXTENSIONS IN URBAN AREAS

(a) *Amounts authorized.*—Section 102 (a) (1) of the House bill contained the authorization of appropriations for the primary and secondary systems and extensions thereof in urban areas. This authorization was for an additional \$25 million for fiscal 1957 (making a total of \$725 million), \$750 million for fiscal 1958, and \$775 million for fiscal 1959.

Section 101 of the Senate amendment contained the authorization of appropriations for these Federal-aid highways. Under the Senate amendment, the authorization for fiscal 1957 was increased by \$200

million (making a total of \$900 million), and an authorization of \$900 million was provided for each of the 4 fiscal years beginning with fiscal 1958.

Under the conference agreement, the additional authorization for fiscal 1957 is \$125 million (making a total of \$825 million). In addition, an authorization of \$850 million is provided for fiscal 1958 and an authorization of \$875 million is provided for fiscal 1959. The conference agreement contains no authorizations for fiscal years beyond fiscal 1959.

(b) *Ratio.*—Under the House bill the funds authorized for each fiscal year were to be available for expenditure for the 3 categories in the ratio which has prevailed for a number of years, namely, 45 percent for the primary system, 30 percent for the secondary system, and 25 percent for the extensions of these systems within urban areas.

The Senate amendment provided that the additional sum authorized for fiscal 1957, and the sums authorized for each of the 4 fiscal years beginning with fiscal 1958, were to be available for expenditure for the 3 categories in accordance with specified dollar amounts. In effect, this would have changed the existing ratio so as to provide 44.4 percent for the primary system, 33.3 percent for the secondary system, and 22.2 percent for extensions within urban areas.

Under the conference agreement, the existing 45-30-25 ratio is retained.

(c) *Provisions relating to approval of projects on the Federal-aid secondary highway system.*—The Senate amendment (in sec. 101) contained provisions relating to the approval of projects on the Federal-aid secondary highway system which are now set forth in the first section of the Federal-Aid Highway Act of 1954. The House bill did not repeat these provisions, relying instead on the provisions of the 1954 act. The conference agreement follows the Senate amendment in expressly setting forth these provisions.

(d) *Declaration with respect to future authorizations.*—The House bill (in sec. 102 (c)) contained a policy statement that progressive increases for the 3 categories of highways of not less than \$25 million per year (covering the total for all 3 categories) should continue through fiscal 1969, and that the relative ratio between the 3 categories should continue during that period of time. The Senate amendment contained no similar policy statements.

The conference agreement does not contain any policy statement with respect to the amount of, or relative ratio for, future authorizations for the 3 categories. It is contemplated that the existing practice of considering authorizing legislation for these 3 categories every 2 years will be continued.

(e) *Transfers of apportionments.*—The House bill (in sec. 102 (d)) authorized the transfer of not to exceed 20 percent of the primary, secondary, or urban funds authorized by section 102 to either of the other categories of funds (primary, secondary, or urban), with the limitation that the total of such transfers did not increase the original apportionment for the category to which transferred by more than 20 percent. Under the House bill, this transfer provision did not apply to funds for the Interstate System.

Section 103 of the Senate amendment contained a similar 20-percent transfer provision, except that it would also have permitted transfer of funds between the Interstate System and the primary and secondary systems and their urban extensions.

The conference agreement follows the House provision and does not apply to funds for the Interstate System. Under this 20-percent transfer provision, flexibility will be provided to meet the varying needs of the States for higher relative amounts with respect to 1 or 2 of the 3 categories.

SECTION 103. FOREST HIGHWAYS AND FOREST DEVELOPMENT ROADS AND TRAILS

(a) *Amounts authorized.*—Section 103 (a) of the House bill authorized the appropriation (1) for forest highways, \$25 million for fiscal 1958 and \$25 million for fiscal 1959, and (2) for forest development roads and trails, \$27 million for fiscal 1958 and \$27 million for fiscal 1959.

Section 106 of the Senate amendment authorized the appropriation (1) for forest highways, \$33,750,000 for each of the 4 fiscal years beginning with fiscal 1958, and (2) for forest development roads and trails, \$27 million for each of the 4 fiscal years beginning with fiscal 1958.

Under the conference agreement the authorization for each of these 2 categories is limited to the 2 fiscal years 1958 and 1959. The amount authorized for each of these years is (1) \$30 million for forest highways, and (2) \$27 million for forest development roads and trails.

(b) *Availability of funds for parking areas and for sanitary, water, and fire-control facilities.*—Both the House bill and the Senate amendment provided that hereafter funds available for forest highways and for forest development roads and trails shall also be available for vehicular parking areas. The Senate amendment added the requirement that these vehicular parking areas be "adjacent." In addition, the Senate amendment provided that hereafter such funds should also be available for sanitary, water, and fire-control facilities.

Under the conference agreement, which follows the Senate amendment, these funds will be available for adjacent vehicular parking areas, for sanitary facilities, for water facilities, for fire-control facilities, or for any combination thereof.

(c) *Repeal of certain apportionment language.*—Section 23 (a) of the Federal Highway Act of 1921, as amended and supplemented, provides that funds authorized for forest development roads shall be "apportioned" among the several States, Alaska, and Puerto Rico according to the relative needs of the various national forests. Section 103 (b) of the House bill repealed this requirement. The Senate amendment contained no comparable provision.

The conference agreement follows the House bill in repealing this apportionment requirement. Since expenditures are made on the basis of relative needs, the apportionment procedure, and the accounting necessary in connection therewith, serve no useful purpose. As a result of such procedure, in the past a large number of allotments were created, too small in amount to be economically converted into road improvements. As a result, the apportionments remained idle over a number of years while accumulating sufficiently to be put to use, or they had to be transferred and consolidated into one larger apportionment. The repeal provided by section 103 (b) of the conference agreement will remedy this situation.

SECTION 104. ROADS AND TRAILS IN NATIONAL PARKS, ETC.

(a) *Amounts authorized.*—Section 104 of the House bill authorized the appropriation for each of the 2 fiscal years 1958 and 1959 (1) for park roads and trails, \$16 million; (2) for parkways, \$16 million; and (3) for Indian roads, \$10 million.

Section 107 of the Senate amendment authorized the appropriation for each of the 4 fiscal years beginning with fiscal 1958 (1) for park roads and trails, \$18 million; (2) for parkways, \$16 million; and (3) for Indian roads, \$12,500,000.

Under the conference agreement the authorizations are limited to the 2 fiscal years 1958 and 1959. The amounts authorized for each of these years for these 3 categories are as follows: (1) For park roads and trails, \$16 million; (2) for parkways, \$16 million; and (3) for Indian roads, \$12 million.

(b) *Access roads to mines.*—Section 107 (a) of the Senate amendment included within the authorization of appropriations for park roads and trails the phrase "and for access roads to mines on public lands." The House bill contained no comparable provision.

In this respect, the conference agreement follows the House bill and does not include authorization of appropriations for access roads to mines on public lands.

SECTION 105. PUBLIC LANDS HIGHWAYS

Section 105 of the House bill authorized the appropriation of \$1 million, for each of the fiscal years 1958 and 1959, for roads through unappropriated or unreserved public lands, nontaxable Indian lands, or other Federal reservations. Section 109 of the Senate amendment authorized the appropriation for this category of \$2 million for fiscal 1957 (in addition to the \$1 million for fiscal 1957 previously authorized), and of \$2 million for each of the 5 fiscal years beginning with fiscal 1958.

Under the conference agreement there is authorized to be appropriated for this category (1) for the fiscal year 1957 an additional \$2 million (making a total of \$3 million), and (2) for each of the 2 fiscal years 1958 and 1959, \$2 million.

SECTION 106. SPECIAL PROVISIONS FOR FEDERAL DOMAIN ROADS, ETC.

(a) *Provisions relating to contract authorization.*—Section 106 (a) of the House bill provided that funds authorized for the various categories of Federal domain roads would be available for contract on apportionment, or a date not earlier than 6 months preceding the fiscal year for which authorized if no apportionment is required. Section 110 of the Senate amendment provided that these funds would be available for contract for one year in advance of the year for which authorized.

The conference agreement provides that these funds will be available for contract on apportionment, or a date not earlier than one year preceding the beginning of the fiscal year for which authorized if no apportionment is required.

(b) *Declaration of intent with respect to future authorizations.*—The House bill (in sec. 106 (b)) declared it to be the intent of Congress to continue the authorizations for the various categories of Federal domain roads at annual rates not less than those contained in the House

bill. The Senate amendment contained no comparable declaration of intent.

The conference agreement omits any declaration of intent with respect to future authorizations for the various categories of Federal domain roads. As in the case of the regular Federal-aid highway authorizations, it is contemplated that authorizations for these categories of highways will be considered every two years by the Congress.

SECTION 107. HIGHWAYS FOR ALASKA

Section 108 of the Senate amendment provided for participation by Alaska in the apportionments of funds authorized in H. R. 10660, or hereafter authorized, for expenditure on the Federal-aid primary and secondary systems and their urban extensions. Provision for such participation has already been made for Hawaii and Puerto Rico. The House bill contained no provision with respect to Alaska.

The conference agreement contains the provisions of the Senate amendment with respect to Alaska. Under these provisions, the inclusion of Alaska in the Federal-aid highway program will be made subject to the following provisions:

(1) Only one-third of the area of Alaska will be used as the area factor in the formula now in effect for purposes of apportionment of funds;

(2) Alaska is to contribute for each fiscal year funds in an amount not less than 10 percent of the Federal funds apportioned to it for that year;

(3) The system or systems of roads on which the apportionments are to be expended are to be determined and agreed upon by the Governor of Alaska, the Territorial highway engineer of Alaska, and the Secretary of Commerce;

(4) The Federal funds and the funds contributed by Alaska may be expended by the Secretary of Commerce either directly or in cooperation with the Territorial Board of Road Commissioners of Alaska, and may be expended separately or in combination and without regard to the matching provisions of the Federal Highway Act of 1921; and

(5) The funds may be expended for both the construction and the maintenance of roads within the systems agreed upon.

These provisions relating to Alaska provide for the transfer of the functions of the Department of the Interior with respect to the construction, repair, and maintenance of roads, tramways, ferries, bridges, trails, and other works in Alaska, to the Department of Commerce. Under the conference agreement, the transfer is to take place on such date as may be agreed upon by the Secretary of the Interior and the Secretary of Commerce, as is not later than 90 days after the approval of the act. With the transfer of functions, there is to be transferred the personnel, funds, and property used or held in connection with those functions. Under the conference agreement the Secretary of Commerce is granted authority to distribute the functions transferred to him under this section and the appropriations which pertain thereto.

SECTION 108. NATIONAL SYSTEM OF INTERSTATE AND DEFENSE HIGHWAYS

(a) *Interstate System.*—Section 108 (a) of the House bill changed the name of the Interstate System from the "National System of

Interstate Highways" to the "National System of Interstate and Defense Highways"; and further provided that in the bill the system was to be referred to as the "Interstate System." The Senate amendment contained no comparable provisions. The conference agreement follows the House bill in this respect.

Under the conference agreement, it is declared to be the intent of the Congress that the Interstate System be completed as nearly as practicable over a 13-year period and that the entire system in all States be brought to simultaneous completion. The phrase "as nearly as practicable" was included because of the fact it is contemplated that some of the funds authorized to be appropriated for fiscal 1969 will not be expended until fiscal 1970 and fiscal 1971. The phrase "that the entire system in all the States be brought into simultaneous completion" was inserted to emphasize the expectation of the Congress that, at the end of the 13-year program, all States will have reached the same relative degree of completion and will be in the final stage of completing their respective portions of the Interstate System.

(b) *Amounts authorized for Interstate System.*—Section 108 (b) of the House bill, and section 102 (a) of the Senate amendment, contained authorizations of appropriations for the Interstate System for the 13-year period beginning July 1, 1956, and ending June 30, 1969. Under the conference agreement, the aggregate amount of the authorizations contained in the bill for this period is the same as in the House bill (namely, \$24,825 million). In addition, the authorization for each fiscal year is the same as in the House bill, with the following exceptions: (1) the additional sum authorized to be appropriated for fiscal 1957 has been decreased from \$1,025 million to \$1 billion, (2) the sum authorized to be appropriated for each of the fiscal years 1964 and 1965 has been decreased from \$2,300 million to \$2,200 million, (3) the sum authorized to be appropriated for fiscal 1967 has been increased from \$2 billion to \$2,200 million, and (4) the sum authorized to be appropriated for fiscal 1969 has been increased from \$1 billion to \$1,025 million. The following table shows the amounts authorized to be appropriated for the Interstate System by the House bill, the Senate amendment, and the conference agreement:

Authorizations

[In millions of dollars]

Fiscal years	House bill	Senate amendment	Conference agreement
1957.....	¹ \$1,025	¹ \$1,000	¹ \$1,000
1958.....	1,700	1,750	1,700
1959.....	2,000	2,000	2,000
1960.....	2,200	2,000	2,200
1961.....	2,200	2,000	2,200
1962.....	2,200	2,000	2,200
1963.....	2,200	2,000	2,200
1964.....	2,200	2,000	2,200
1965.....	2,300	2,000	2,200
1966.....	2,300	2,000	2,200
1967.....	2,200	2,000	2,200
1968.....	2,000	2,000	2,200
1969.....	1,500	2,000	1,500
1970.....	1,000	2,000	1,025
Total.....	¹ 24,825	¹ 24,750	¹ 24,825

¹ These amounts are in addition to the \$175 million authorized to be appropriated for the fiscal year 1957 by section 2 (a) of the Federal-Aid Highway Act of 1954.

(c) and (d) *Formulas for apportionment.*—Section 108 (c) of the House bill provided that the sums authorized for fiscal 1957 and 1958 were to be apportioned on the basis of the estimated cost of completing the Interstate System in each State, as set forth in House Document No. 120 of the 84th Congress. Section 108 (d) of the House bill provided that sums authorized for fiscal 1959 and subsequent years through fiscal 1969 were to be apportioned on the basis of revised estimates of the cost of completing the Interstate System in each State. Section 108 (f) of the House bill provided the method of, and the time for, making these revised estimates and required that they be approved by affirmative resolution of the committees of the Senate and House of Representatives to which referred before being used in making apportionments.

Section 102 (a) of the Senate amendment continued, for the 13-year period, the formula of apportionment contained in section 2 (a) of the Federal-Aid Highway Act of 1954, namely, (1) one-half in the ratio which the population of each State bears to the total population of all the States, as shown by the latest available Federal census (with the proviso that no State is to receive less than three-fourths of 1 percent of the money so apportioned), and (2) one-half in the manner provided by law for the apportionment of funds for the Federal-aid primary system (that is, one-third on the basis of population, one-third on the basis of area, and one-third on the basis of mileage of rural delivery routes and star routes).

Under the conference agreement, the formula of apportionment contained in the Senate amendment will be followed for the first 3 years (fiscal 1957, 1958, and 1959). For the remaining 10 years of the program, the formula of apportionment contained in the House bill will be followed. That is to say, the funds will be apportioned in the ratio which the estimated cost of completing the Interstate System in each State bears to the estimated total cost of completing the Interstate System in all of the States. However, new language has been inserted in the bill to make it clear that the estimates of cost on which the apportionments are to be based shall be subject to review by the Congress. No apportionment for a fiscal year shall be made until the estimate of costs applicable to the group of fiscal years in which that particular year is included (as set forth in sec. 108 (d)) has been approved by the Senate and House of Representatives by concurrent resolution.

It is to be emphasized that for the first 3 years of the program the existing system of apportionment (as explained above) will be followed. For the remaining 10 years of the program, the formula of apportionment is the cost of completion formula. Over the 13-year period, no State should receive aggregate apportionments which are greater or less than the cost of completing the Interstate System within that State.

Consonant with this objective, the phrase "after taking into account all previous apportionments made under this section" has been inserted to provide the necessary mechanism for transferring from the existing-law formula to the cost formula. Thus, if a State receives more or less than its proportionate share (based on respective estimated costs of completion) of the funds apportioned for the first 3 years, that fact will be taken into account when the estimate of cost is submitted for congressional approval in 1958. It is the intent of the conferees

that any adjustment necessary will be spread over all of the remaining 10 years rather than being distributed solely over the 3 fiscal years 1960, 1961, and 1962 covered by the first estimate. Similarly, each time thereafter that a revised estimate of the costs of completion is submitted to the Congress for its approval, there will automatically occur adjustments in the estimate with respect to each State by reason of the fact that, under the newest estimate, the State might have received more, or less, than its proportionate share (based on cost of completion) of the funds theretofore apportioned.

As will be explained below (in connection with sec. 108 (l) of the conference agreement), the estimated costs of completion shall be made without regard to the 1,000 additional miles authorized to be designated by the bill.

(e) *Federal share.*—The conference agreement retains the provision contained in both the House bill and the Senate amendment that the Federal share of projects on the Interstate System is to be 90 percent of the total cost thereof. In States having certain public lands and Indian lands, the Federal share is increased in a manner similar to that provided in existing law for the so-called public-land States, but not above 95 percent of the total cost of the project.

(f) *Availability for expenditure.*—The language of the House bill (sec. 108 (h)) and the conference agreement (sec. 108 (f)) are identical in this respect. The conferees took note of the fact that some States have not yet obligated all of the funds previously apportioned to them under the authorizations contained in the Federal-Aid Highway Act of 1954, wherein the matching ratio is 60-40 instead of the more liberal 90-10 ratio provided in the conference agreement. It is intended by the conferees that the Secretary of Commerce will take such steps as may be necessary to insure that each State shall utilize all 60-40 funds apportioned to it before the lapse period and that no State will be permitted to deliberately lapse any of the 60-40 funds in order to substitute therefor the more favorable 90-10 funds and thereby increase the total Federal funds going into any State for the Interstate System.

(g) *Lapse of amounts apportioned.*—The conference agreement retains the provisions of the House bill with respect to lapse of any apportionment which is unexpended at the end of the 2-year period during which such apportionment is available for expenditure. However, new language has been inserted in the conference agreement to provide that when the apportionment of any State or States so lapse, the lapsed amounts shall immediately be reapportioned among the other States in accordance with the provisions of subsection (d) of section 108 (that is to say, on the basis of the estimates of the cost of completing the Interstate System, as such estimates have been approved by the Congress).

(h) *Construction by States in advance of apportionment.*—As explained above, the retention for 3 years of the formula of apportionment contained in existing law will result in some States receiving less funds for that period than they would have received if the cost of completion formula had become immediately effective. To make it possible for these States to proceed with the construction of projects on the Interstate System, and in general to offer the opportunity to all States to speed up the rate of completion, subsection (h) has been inserted in section 108.

Under this subsection, if a State has obligated all of its section 108 funds, and, after this bill becomes law, proceeds to construct any project (or part of a project) on the Interstate System without the use of Federal funds, then the Secretary of Commerce is authorized to pay to such State, whenever additional funds are apportioned to that State under section 108, the Federal share of the project (as computed under sec. 108 (e) of the conference agreement).

However, no such payment may be made with respect to any project unless all procedures and all requirements applicable to other Interstate System projects have been satisfied with respect to the construction of that project (other than the prior availability of apportioned funds). The conference agreement contains two provisos to make it clear (1) that the plans and specifications for the project must have been approved by the Secretary of Commerce in the same manner as other Interstate System projects, and (2) that the project must conform to the geometric and construction standards adopted under section 108 (i) of the conference agreement. The fact that the matters contained in the two provisos have been expressly set forth does not in any way lessen the provision in the subsection that the project must be constructed in accordance with all procedures and all requirements applicable to other Interstate System projects (other than the prior availability of Federal apportionments). For example, the usual requirements with respect to approval of contract awards, inspection of construction, and subsequent maintenance, and other items, will all apply.

It is to be emphasized that this subsection does not in any way increase the amounts apportioned to any State. It merely provides a method whereby, on full compliance with the subsection, the State may be paid for the completed work out of future apportionments when and if made to that State.

The last sentence of section 108 (h) of the conference agreement is inserted to make sure that no State which proceeds in accordance with the provision will be penalized in computing its apportionments under the cost of completion formula. For purposes of the cost formula, any project (or part of a project) so constructed without Federal funds shall not be considered completed until the State's application has been approved by the Secretary of Commerce for payment out of apportionments which have become available to the State.

(i) *Geometric and construction standards.*—The House bill (in sec. 108 (e)) provided that the Secretary of Commerce, in cooperation with the State highway departments, was to adopt the geometric standards for the Interstate System. There was no similar provision in the Senate amendment.

Under the conference agreement, the language of the House bill with respect to geometric standards is retained, but the subsection is amended so that it applies to construction standards as well as to geometric standards.

(j) *Maximum weight and width limitations.*—The House bill (sec. 108 (j)) prohibited the apportionment of Interstate System funds to any State where the Interstate System might lawfully be used by vehicles having axle weights in excess of 18,000 pounds on any one axle or 32,000 pounds on a tandem axle, or the maximum corresponding axle weight permitted by laws or regulations of such State in effect

on July 1, 1956, whichever is the greater. This limitation would not affect any vehicles that could lawfully operate in the State on July 1, 1956. The House bill contained no maximum limitations on overall weight or on width.

The Senate amendment (sec. 102 (d)), while retaining the substance of the House provision, included a width limitation of 96 inches and an overall gross weight limitation of 73,280 pounds.

The conference agreement (sec. 108 (j)) adopts the language of the Senate amendment. Under the conference agreement, any vehicle that could lawfully operate within a State on July 1, 1956, will not be affected.

(k) *Tests to determine maximum desirable dimensions and weights.*—The House bill (sec. 108 (k)) directed the Secretary of Commerce to expedite a series of tests being planned and conducted for the purpose of determining maximum dimensions and weights for vehicles operated on the Federal-aid highway systems and to submit a report, with recommendations, to the Congress not later than March 1, 1959. The Senate amendment was similar to the House provision except for requiring that the report to Congress be made as promptly as possible. The conference agreement contains the language of the House provision.

(l) *Increase in mileage.*—Under the House bill, no change was made in the 40,000 mile limit applicable to the Interstate System, as provided in section 7 of the Federal-Aid Highway Act of 1944. Under section 112 of the Senate amendment, the mileage authorized to be designated would have been increased from 40,000 to 42,500.

Under section 108 (l) of the conference agreement, the limit on the mileage which may be designated on the Interstate System is increased by 1,000 (from 40,000 to 41,000). However, the conference agreement contains a proviso that the cost of completing any mileage from any of the 1,000 newly authorized miles is to be excluded in making the estimates of costs of completion under section 108 (d). The designation of additional mileage in any State will, of course, in no way increase the apportionment to any State during the first 3 years (for which the existing law method of apportionment is in effect). The proviso insures that during the ensuing 10-year program the estimate of cost of completing the Interstate System in each State will be made by estimating that cost for mileage designated from the 40,000 miles provided by law before the enactment of this bill. In making such estimates, the costs of completing mileage designated from the additional 1,000 miles will be excluded. This means that no additional cost has been added, by reason of the additional 1,000 miles, to the 40,000-mile program on which the tax provisions of title II of the bill were based.

SECTION 109. ACQUISITION OF RIGHTS-OF-WAY FOR INTERSTATE SYSTEM

Both the House bill (sec. 110) and the Senate amendment (sec. 104) contained a similar provision under which the Secretary of Commerce, at the request of a State, could acquire rights-of-way for the Interstate System, under certain prescribed conditions. Since both accomplished the same purpose and the House bill contained some minor perfecting language, the conference agreement adopts the House provision on the subject.

SECTION 110. AVAILABILITY OF FUNDS TO ACQUIRE RIGHTS-OF-WAY AND
TO MAKE ADVANCES TO THE STATES

The House bill (sec. 111) authorized the Secretary of Commerce to make any of the apportioned Federal-aid highway funds, including Interstate System funds, available for advance acquisition of rights-of-way. It also authorized the Secretary of Commerce to advance funds to the States for such purposes. The operation of this provision will undoubtedly save large amounts of funds by permitting the right-of-way to be acquired at the most favorable time, and without the pressures created in rush acquisition procedures. It will also permit more orderly acquisition with a minimum of dislocation and hardship to occupants and businesses located in the path of the right-of-way required. The Senate amendment contained no such provisions, although section 105 of the Senate amendment granted contract authority of not to exceed \$100 million for the fiscal year 1956 for right-of-way acquisition. Since the 1956 fiscal year is already virtually over and the 1957 fiscal year funds are to become available immediately upon enactment of the act, the Senate provision is not needed and the conference agreement therefore adopts the House provision.

The House bill (in sec. 111 (b)) also amended section 6 of the 1944 Federal-Aid Highway Act, under which the States could apply for and receive a working fund with which to finance the Federal share of the cost of projects pending the receipt of reimbursement from the Secretary of Commerce. Since the Federal share is increased to 90 percent of project cost in the case of the Interstate System, more States will probably require an advance of funds from the Secretary in order to provide a revolving or working fund with which to pay construction contractors as work progresses or to purchase the needed rights-of-way. The conferees feel that this is a desirable feature but intend that the Secretary of Commerce will establish appropriate procedures to safeguard the advance and to insure that no more funds than are needed are advanced to a State and that at no time will the amount advanced to a State exceed one-fourth of the amount apportioned to such State for the year in which the advance is operative.

SECTION 111. RELOCATION OF UTILITY FACILITIES

The House bill (sec. 113) and the Senate amendment (sec. 111) contained similar provisions which would have permitted Federal funds to be used to reimburse a State for utility relocation costs which the State had paid for under its own laws or practices. Both the House and Senate provisions would have denied apportionment of Federal funds for this purpose to any State when the payment to the utility violated the law of the State or a legal contract between the utility and the State. The Senate amendment differed from the House bill, however, in that it provided that no more than 2 percent of any sum apportioned to any State for any fiscal year might be expended under the section. The House bill contained no such limitation.

This 2-percent limitation would have resulted in administrative difficulties. It could have caused inequities particularly to small utilities and municipalities and in some instances resulted in failure

to fully reimburse States which would otherwise have been reimbursed under the policy which the Bureau of Public Roads has followed of reimbursing States that pay relocation costs. Section 113 of the bill as passed by the House and recommended and accepted by the conferees recognizes the equity of reimbursing utilities for the cost of relocating facilities when required for Federal-aid highway projects. Further, this section makes it clear that it is the intention of the Federal Government to assume its proportionate share of utility relocation costs whenever a State allows such costs.

Under the existing practice of the Bureau of Public Roads, Federal funds may participate in utility relocation costs to the same extent as other construction costs without any percentage limitation based on the State's apportionment.

In adopting the House language, the conference agreement intends that the section will be applicable to the amount paid by the State.

SECTION 112. AGREEMENTS RELATING TO THE USE OF AND ACCESS TO RIGHTS-OF-WAY

The House bill (sec. 115) and the Senate amendment (sec. 115) contained similar provisions to insure retention of control of access on the Interstate System and to insure that automotive service stations or other commercial establishments are not constructed or located on the rights-of-way of the Interstate System. The House provision contained language to insure that the users of the Interstate System would receive the benefits of free competition in purchasing supplies and services at or adjacent to highways on the Interstate System, which provision did not appear in the Senate amendment. Section 112 of the conference agreement in general follows the language of the Senate amendment with respect to these agreements rather than the language of the House bill.

The conferees emphasize that these provisions are to be applied to future construction and do not operate to require the cancellation of valid agreements made by State toll-road authorities with service station or other concessionaires occupying toll-road rights-of-way whenever such toll roads may be integrated into the Interstate System under the provisions of section 113 of the conference agreement.

SECTION 113. TOLL ROADS, BRIDGES, AND TUNNELS

The House bill (sec. 116) contained a provision to authorize the Secretary of Commerce to include as part of the Interstate System any toll road, bridge, or tunnel, now or hereafter constructed, which meets the required standards and forms a logical segment of the Interstate System. It authorized Federal funds to be expended on projects approaching any toll road on the Interstate System under certain prescribed conditions. This provision was intended to clarify the Secretary's authority in such matters. The Senate amendment contained no such provision. The conference report adopts the House language with the modifications described in the following paragraph.

With respect to the language in the House bill which would permit any toll road, bridge, or tunnel to be included in the Interstate System, the conferees have inserted language to require the Secretary of Commerce to find that such action will promote the development of an

integrated Interstate System. The requirement in the House provision that such toll road, bridge, or tunnel form a logical segment of the Interstate System has been eliminated and in lieu thereof there is inserted the requirement that such toll road, bridge, or tunnel be located on a route heretofore or hereafter designated as a part of the Interstate System. The conference agreement (in sec. 113 (c)) also contains certain perfecting changes in the provisions relating to eligibility of Federal funds for expenditure on projects approaching toll roads on the Interstate System.

SECTION 114. DETERMINATION OF POLICY WITH RESPECT TO REIMBURSEMENT FOR CERTAIN HIGHWAYS

The House bill (sec. 109) declared the intent and policy of Congress to equitably reimburse the States for any toll or free highway on the Interstate System which had been constructed during a specified period to the required standards and would require a report to be made to Congress within 10 days subsequent to January 2, 1958, in order to provide Congress with the information it would need in determining the time, methods, and amounts of such reimbursement. The House provision also declared the policy and intent of Congress to provide funds necessary to make such reimbursements. The Senate amendment contained no provision on this subject.

The conference agreement contains a modification of the House provision. Under this modified provision, there is a declaration of intent and policy on the part of Congress to determine whether or not the Federal Government should equitably reimburse any State for such construction, rather than to commit the Federal Government in advance of the study to make such reimbursement and to provide funds therefor as provided in the House bill.

SECTION 115. PREVAILING RATE OF WAGE

The House bill (in sec. 112) and the Senate amendment (in sec. 118) both required the Secretary of Commerce to take such action as may be necessary to insure that the Davis-Bacon Act is applied to Interstate System projects authorized under title I. Under this provision the wages shall be not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor.

The Senate amendment, however, provided (in sec. 119) that in so carrying out the Davis-Bacon Act, the Secretary of Labor shall consult with the highway authority of the State in which the project is located and after giving due regard to the information thus obtained shall make a predetermination of minimum wage rates which shall be set out in each project advertisement for bids and each bid proposal form, and be made a part of the contract covering the project. This latter provision was not contained in the House bill. The conference agreement (in sec. 115 (b)) contains the language of section 119 of the Senate amendment, with certain minor perfecting changes.

It is recognized that there must be the utmost cooperation between the several State highway departments and the Secretary of Labor in order to carry out the intent of the provisions of section 115 (b). It is emphasized that when the Secretary consults with these State

agencies, such agencies should furnish the desired information as fully and promptly as possible. In order that the projects occasion no delay because of the determination of prevailing wages, the Secretary should be kept advised well in advance of pending Interstate System projects, with sufficient data and information to make the necessary predetermination of wages promptly and satisfactorily.

The conferees rejected a provision in the Senate amendment (in sec. 124) that would provide for an appeal and judicial review by any aggrieved party, as it was feared that court proceedings might delay prosecution of projects in the Federal-aid highway program, and it was believed that cooperation in good faith between State and Federal officials in this matter will insure satisfactory results.

SECTION 116. DECLARATIONS OF POLICY WITH RESPECT TO FEDERAL-AID HIGHWAY PROGRAM

(a) *Acceleration of program—completion of Interstate System—and progress report.*—The House bill (in sec. 114) and the Senate amendment (in sec. 113 (a), (b), and (c)) contained somewhat similar declarations of policy regarding acceleration of the Federal-aid highway program and completion of the Interstate System. The conference agreement substantially follows the language of the Senate amendment with changes in phraseology. The Secretary of Commerce is directed to submit a report to Congress by February 1, 1959, on the progress made toward attaining the objectives.

(b) *Public hearings.*—The Senate amendment (in sec. 113 (d)) required any State highway department which submits plans for a Federal-aid highway project involving the bypassing of any city, town, village, or community, either incorporated or unincorporated, to certify to the Commissioner of Public Roads that it has had public hearings and considered the economic effects of such location. It would also require a transcript of said hearings to be sent to the Commissioner of Public Roads together with the certification. This provision would continue and broaden existing requirements contained in section 13 of the Federal-Aid Highway Act of 1950. Under the House bill, which contained no provision on this subject, the existing requirements of section 13 of the 1950 act would continue without change and be applicable to all Federal-aid and Interstate projects.

The conference agreement (in sec. 116 (c)) contains the language of the Senate amendment after modifying the language so as to make the public hearing requirement also applicable to a Federal-aid highway project "going through" any city, town, or village, either incorporated or unincorporated. The word "community" appearing in the Senate amendment is eliminated in the conference report.

Participation by small business enterprises.—The House bill (in sec. 102 (c)) included a policy statement to encourage small business and to assure that a fair proportion of the Federal-aid contracts would be awarded to small-business enterprises. The Senate amendment contained no provision on this matter. The conference agreement (in sec. 116 (d)) adopts language somewhat similar to the House provision, with changes in phraseology to extend the application of the provision to the Interstate System. In adopting this provision, the conferees recognize that the Federal-aid contracts are not awarded by the Federal Government but are awarded by the States on the basis of competitive bids.

SECTION 117. HIGHWAY SAFETY STUDY

The Senate amendment (in sec. 123) authorized and directed the Secretary of Commerce to make a full and complete investigation and study for the purpose of determining what action can be taken by the Federal Government to promote public welfare by increasing highway safety, and required him to submit a report, with recommendations, to Congress by June 30, 1957. The House bill contained no such provision.

The conference agreement (in sec. 117) contains the language of the Senate amendment, but adds a provision that such study and investigation shall be conducted under the general authority of section 10 of the Federal-Aid Highway Act of 1954, and that the amount expended for such purposes shall not exceed \$200,000. The conference agreement also changes the reporting date to "not later than March 1, 1959."

SECTION 118. EMERGENCY FUND

The House bill (in sec. 107) amended section 7 of the Federal-Aid Highway Act of 1952 so as to increase the present \$10 million annual emergency fund authorization to \$30 million for the repair and reconstruction of highways and bridges on the Federal-aid systems which are damaged as a result of disaster. The funds authorized would be available for use on any projects programed and approved any time during the fiscal year ending June 30, 1956, and thereafter, which meet the provisions of this section. The Senate amendment contained no such provision, although the Senate had previously passed a bill in the present session (S. 2861) which would have increased the emergency relief authorization from \$10 million to \$30 million. The conference agreement contains the provisions of the House bill in this respect.

SECTION 119. DEFINITION OF CONSTRUCTION

The House bill (in sec. 117) broadened the definition of the term "construction" contained in section 1 of the Federal-Aid Highway Act of 1944 to include the cost of the establishment of temporary and permanent geodetic markers in accordance with specifications of the Coast and Geodetic Survey, and also the cost of relocation of building tenants and demolition of structures or removal of usable buildings to new sites, including the cost of such sites. The Senate amendment contained no such provision.

The conference agreement adopts that portion of the House provision which relates to temporary and permanent geodetic markers.

SECTION 120. ARCHEOLOGICAL AND PALEONTOLOGICAL SALVAGE

The House bill (in sec. 118) provided that any portion of the funds authorized by title I, as deemed necessary by the Governor or the duly authorized highway officials of any State, might be used for the purpose of archeological salvage in accordance with the act approved June 8, 1906, and State laws where applicable. The Senate amendment (in sec. 120) contained a similar provision except that it also included paleontological salvage and omitted any requirement for the Governor's approval.

The conference agreement contains the language of the Senate amendment except for substituting "highway department" for "highway authority."

SECTION 121. MAPPING

The House bill (in sec. 119) provided that the Secretary of Commerce, in carrying out the provisions of title I, should, to the fullest extent practicable, authorize the use of photogrammetric methods in mapping, and the utilization of commercial enterprise for such service. No such provision was contained in the Senate amendment.

The conference agreement adopts the substance of the House provision but modifies it to make it clear that the Secretary of Commerce would have the authority to administer the provision on a discretionary basis.

SECTION 122. RELATIONSHIP OF THIS TITLE TO OTHER ACTS; EFFECTIVE DATE

The conference agreement provides that all provisions of the Federal-Aid Road Act approved July 11, 1916, as amended and supplemented, not inconsistent with title I of the bill, shall remain in full force and effect, and that all inconsistent provisions are repealed. It also provides that title I shall take effect on the date of the enactment of the act. This provision consolidates and is similar to the language in section 121 of the House bill and sections 122 and 125 of the Senate amendment.

CHARLES A. BUCKLEY,

GEORGE H. FALLON,

CLIFFORD DAVIS,

JOHN A. BLATNIK,

GEO. A. DONDERO,

J. HARRY MCGREGOR,

JAMES C. AUCHINCLOSS,

Managers on the Part of the House.

TITLE II

The managers on the part of the House as to title II of the bill submit the following statement in explanation of the effect of the action agreed upon by the conferees as to title II of the bill and recommended in the accompanying conference report:

Amendment No. 2: Section 4041 (a) of the 1954 Code imposes a tax of 2 cents a gallon on any liquid sold for use, or used, as a fuel in a diesel-powered highway vehicle. Under section 202 (a) of the House bill, this tax is increased from 2 cents a gallon to 3 cents a gallon effective July 1, 1956. In general, the effect of Senate amendment No. 2 would be to provide (1) that the 1-cent increase shall apply only if the liquid is used in a vehicle registered, or required to be registered, for the highway use (or, in the case of vehicles owned by the United States, used on the highway), and (2) that in no case shall the increase apply with respect to any liquid used as a fuel in a vehicle while such vehicle is not being used on a highway.

The House recedes with an amendment which provides that in the case of a liquid taxable under section 4041 (a) of the 1954 Code sold for use or used as a fuel in a diesel-powered highway vehicle—

(A) which (at the time of such sale or use) is not registered, and is not required to be registered, for highway use under the laws of any State or foreign country, or

(B) which, in the case of a diesel-powered highway vehicle owned by the United States, is not used on the highway, the tax shall be 2 cents a gallon in lieu of 3 cents a gallon. Under the conference agreement, if a liquid on which tax was imposed after June 30, 1956, at the rate of 2 cents a gallon is used as a fuel in a diesel-powered highway vehicle—

(A) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or

(B) which, in the case of a diesel-powered highway vehicle owned by the United States, is used on the highway, a tax of 1 cent a gallon is imposed on such use. Under the conference agreement the 3 cent a gallon rate will apply (in the case of use in the specified vehicles) without regard to whether the liquid is used on or off the highway.

Amendment No. 3: Section 4041 (b) of the 1954 Code imposes a tax of 2 cents a gallon on special motor fuel (i. e., benzol, benzene, naphtha, liquefied petroleum gas, and other liquid fuels except gasoline, diesel fuel, kerosene, gas oil, or fuel oil) sold for use, or used, as a fuel for the propulsion of a motor vehicle, motorboat, or airplane. Under section 202 (b) of the House bill this tax is increased effective July 1, 1956, from 2 cents a gallon to 3 cents a gallon in the case of a special motor fuel sold for use, or used, as a fuel for the propulsion of a motor vehicle. Senate amendment No. 3 would provide the same treatment for the use of special motor fuels in a nonregistered vehicle or a vehicle used off a highway as Senate amendment No. 2 would have provided for diesel fuel, and, in addition, would limit the 1-cent increase to fuel used in a motor vehicle which is a "highway vehicle."

The House recedes with an amendment which conforms to the conference agreement with respect to amendment No. 2, and, in addition, conforms to the Senate amendment in limiting the 1-cent increase to fuel used in a motor vehicle which is a highway vehicle.

Amendment No. 4: This is a technical amendment. The House recedes.

Amendment No. 5: This is a technical amendment. The House recedes.

Amendment No. 6: Section 205 of the bill, as passed by the House and the Senate, provides for an increase in tax from 2 cents a gallon to 3 cents a gallon effective July 1, 1956, in the case of gasoline sold by the producer or importer thereof. Section 4081 (b) of the 1954 Code, as proposed to be amended by section 205 of the House bill, provided that under regulations prescribed by the Secretary of the Treasury or his delegate the tax on gasoline shall be 2 cents a gallon in lieu of 3 cents a gallon in the case of gasoline sold by the producer or importer thereof to any person for use by such person otherwise than as a fuel in a highway vehicle. This provision did not apply to gasoline which (within the meaning of sec. 6420 (c) of the 1954 Code) is sold for use on a farm for farming purposes.

Senate amendment No. 6 strikes out section 4081 (b) of the 1954 Code, as proposed to be amended by the House bill. Senate amendment No. 19, explained below, adds a new provision to the bill as a

substitute for the exemption provision of the House bill stricken out by amendment No. 6. In conformity with the conference agreement with respect to Senate amendment No. 19, the House recedes on amendment No. 6.

Amendment No. 7: This is a technical conforming amendment. The House recedes.

Amendment No. 8: Section 206 of the bill adds a new subchapter D to chapter 36 of the 1954 Code to provide a tax on the use of certain highway motor vehicles, effective July 1, 1956. Under the House bill, there would be imposed on the use of any highway motor vehicle which has a taxable gross weight of more than 26,000 pounds a tax at the rate of \$1.50 a year for each 1,000 pounds of taxable gross weight or fraction thereof. Under Senate amendment No. 8 the tax would be at the rate of \$2.50 a year for each 1,000 pounds of taxable gross weight or fraction thereof in excess of 26,000 pounds of taxable gross weight. The Senate recedes.

Amendment No. 9: This is a technical amendment relating to payment of the tax on the use of highway motor vehicles owned by the United States. The House recedes with a technical amendment to conform the language to other provisions of the 1954 Code.

Amendment No. 10: This amendment struck out of the House bill a provision that the new tax on the use of highway motor vehicles shall not apply to the use of any bus which is of the transit type (rather than of the intercity type) by a person who (for the period prescribed by the bill) met the 60 percent passenger fare revenue test prescribed by the bill. Under the conference agreement the provision of the House bill is restored with a clerical amendment.

Amendment No. 11: This is a technical amendment. The House recedes.

Amendment No. 12: This is a clerical amendment. The House recedes.

Amendment No. 13: This amendment provides that the floor stocks taxes imposed by the bill on articles held on July 1, 1956, shall be paid at such time after September 30, 1956, as may be prescribed by the Secretary of the Treasury or his delegate. The amendment does not limit or restrict in any way the provisions of section 6862 of the 1954 Code (relating to jeopardy assessments). There was no corresponding provision in the House bill. The House recedes.

Amendment No. 14: This amendment makes changes with respect to credits or refunds in the case of special motor fuels and provides credits or refunds in the case of diesel fuel. This is in conformity with Senate amendments Nos. 2 and 3. The House recedes with an amendment which conforms to the conference action on amendments Nos. 2 and 3.

Amendment No. 15: Section 6416 (b) (2) (K) of the 1954 Code, as proposed to be amended by section 208 (b) of the House bill, provided in general for a credit or refund to the producer or importer at the rate of 1 cent a gallon if gasoline, in respect of which tax was paid under section 4081 of the 1954 Code at 3 cents a gallon, is used or resold for use otherwise than as a fuel in a highway vehicle. This provision did not apply to gasoline which (within the meaning of sec. 6420 (c) of the 1954 Code) is sold for use on a farm for farming purposes.

Senate amendment No. 15 strikes out section 6416 (b) (2) (K) of the 1954 Code, as proposed to be amended by the House bill. Senate

amendment No. 19, explained below, adds a new provision to the bill as a substitute for the refund provisions stricken out of the bill by Senate amendment No. 15. In conformity with the conference agreement with respect to Senate amendment No. 19, the House recedes.

Amendment No. 16: Section 208 (b) of the House bill added a new subparagraph (L) to section 6416 (b) (2) of the 1954 Code. Under the new subparagraph, credit or refund would be allowed in the case of a liquid, in respect of which tax was paid under section 4041 (tax on diesel fuel and special motor fuels) or 4081 (tax on gasoline) at the rate of 3 cents a gallon, used in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes. Credit or refund would be allowed in respect of any liquid used during any calendar quarter only if at least 60 percent of the total passenger fare revenue (not including the tax imposed by sec. 4261, relating to the tax on transportation of persons) derived by the person using the vehicles during such quarter from scheduled service along such regular routes was attributable to fares which were exempt from the tax imposed by section 4261 by reason of section 4262 (b) (relating to the exemption for commutation travel, etc.). The amount of credit or refund for any calendar quarter would not exceed an amount which bears the same ratio to the amount computed at the rate of 1 cent a gallon as the passenger fare revenue derived during such quarter from such fares exempt from tax for such scheduled service bears to the total passenger fare revenue (not including the tax imposed by sec. 4261) derived during such calendar quarter for such scheduled service.

Senate amendment No. 16 struck out this provision of the House bill. Under the conference agreement the substance of this provision is restored to the bill. The part relating to credit or refund of taxes paid under section 4041 of the 1954 Code (relating to diesel fuel and special motor fuels) is covered by section 6416 (b) (2) (L) of the 1954 Code which is restored by the conference action on amendment No. 16. The part relating to gasoline is covered by a new section 6421 (b) added to the 1954 Code by the conference action on Senate amendment No. 19, explained below.

Amendment No. 17: This is a clerical amendment. The Senate recedes.

Amendment No. 18: This is a technical clarifying amendment. The House recedes.

Amendment No. 19: This amendment would add a new section 6421 to the 1954 Code as a substitute for the provisions of the House bill stricken out by Senate amendments Nos. 6 and 15. In general, the new section 6421 would provide a procedure under which the Secretary of the Treasury or his delegate would pay an amount computed at the rate of 1 cent a gallon directly to the ultimate purchaser of gasoline used for nonhighway purposes as provided in the section. The procedure, in general, would be the same as under section 6420 (relating to gasoline used on a farm for farming purposes) except that under the Senate amendment quarterly claims would be permitted where the claim is filed for at least 100,000 gallons of gasoline. Payments under the section would, in general, be made in respect of gasoline which (1) is used otherwise than as a fuel in a highway vehicle which (at the time of such use) is registered, or required to be registered, for highway use under the laws of any State

or foreign country (or, in the case of a highway vehicle owned by the United States, which is used on the highway), or (2) is used as a fuel in any such highway vehicle while such highway vehicle is not being used on a highway. Payments would not be made, or would be appropriately reduced, in the case of gasoline exempt from tax or with respect to which a refund or payment is payable under this or any other provision of the 1954 Code.

The House recedes with an amendment. Under the conference agreement, if gasoline is used otherwise than as a fuel in a highway vehicle (1) which (at the time of such use) is registered, or is required to be registered, for highway use under the laws of any State or foreign country, or (2) which, in the case of a highway vehicle owned by the United States, is used on the highway, the Secretary or his delegate shall pay (without interest) to the ultimate purchaser of such gasoline an amount equal to 1 cent for each gallon of gasoline so used. The effect of this provision is to relieve the ultimate purchaser of gasoline from the 1 cent increase in the tax on gasoline imposed by the bill if he uses such gasoline otherwise than as a fuel in a highway vehicle or if he uses such gasoline as a fuel in a highway vehicle which (at the time of the use) is not registered for highway use under the laws of any State or foreign country, and is not required to be so registered under the laws of any State or foreign country in which it is operated. While there are, of course, variations in State laws with respect to technical registration requirements for motor vehicles for highway use, it should be made clear that the registration requirements of the bill are not intended to relieve the operator of a highway vehicle of the 1 cent increase in the tax on gasoline used as a fuel in a highway vehicle which, for example, is operated on the highway under a dealer's license or permit.

In conformity with the action explained in the preceding paragraph and the action with respect to amendment No. 16, the conference agreement also provides that if gasoline is used during any calendar quarter in vehicles while engaged in furnishing scheduled common carrier public passenger land transportation service along regular routes, the Secretary of the Treasury or his delegate shall (subject to the 60 percent passenger fare test explained below) pay (without interest) to the ultimate purchaser of such gasoline the amount determined by multiplying (A) 1 cent for each gallon of gasoline so used, by (B) the percentage which the ultimate purchaser's tax-exempt passenger fare revenue (as defined in the new sec. 421 (d) (2) of the Code) derived from such scheduled service during such quarter was of his total passenger fare revenue (not including the tax imposed by sec. 4261 of the 1954 Code, relating to the tax on transportation of persons) derived from such scheduled service during such quarter.

Under the conference agreement, the payments may be made in respect of gasoline used during any calendar quarter in transit vehicles only if at least 60 percent of the total passenger fare revenue (not including the tax imposed by sec. 4261 of the 1954 Code, relating to the tax on transportation of persons) derived, during such quarter from scheduled service described in the preceding paragraph, by the person filing the claim was attributable to tax-exempt passenger fare revenue derived during such quarter by such person from such scheduled service.

Under the conference agreement, not more than 1 claim may be filed with respect to gasoline used otherwise than as a fuel in a high-

way vehicle, and not more than 1 claim may be filed with respect to gasoline used in transit vehicles, by any person with respect to gasoline used during the 1-year period ending on June 30 of any year. No claim shall be allowed under this section with respect to any 1-year period unless filed on or before September 30 of the year in which such 1-year period ends.

Amendment Nos. 20 and 21: These are technical conforming amendments. The House recedes with conforming amendments.

Amendment No. 22: Section 209 of the bill establishes a highway trust fund. In general, the receipts of the trust fund are equivalent to designated percentages of the specified taxes received after June 30, 1956, and before July 1, 1972, and the amounts in the trust fund are made available (as provided by appropriation acts) for expenditures after June 30, 1956, and before July 1, 1972, which are attributable to Federal-aid highways.

Subsection (g) of section 209 of the House bill provided that nothing in section 209 of the bill shall limit the amount of the apportionments made under any authorization in title I of the bill or in any Act heretofore or hereafter enacted which amends or supplements the Federal-Aid Road Act approved July 11, 1916.

Senate amendment No. 22 strikes out subsection (g) of section 209 of the House bill and inserts in lieu thereof a new subsection (g). This subsection requires the Secretary of the Treasury, from time to time, after consultation with the Secretary of Commerce, to estimate the amounts which will be available in the highway trust fund (excluding repayable advances) to defray the expenditures which will be required to be made from such fund. In any case in which the Secretary of the Treasury determines that, after all other expenditures required to be made from the highway trust fund have been defrayed, the amounts which will be available in such fund (excluding repayable advances) will be insufficient to defray the expenditures which will be required as a result of the apportionment to the States of the amounts authorized to be appropriated for any fiscal year for the construction, reconstruction, or improvement of the National System of Interstate Highways, Senate amendment No. 22 requires him (1) to so advise the Secretary of Commerce, and (2) to further advise the Secretary of Commerce as to the amount which, after all other expenditures required to be made from such fund have been defrayed, will be available in such fund (excluding repayable advances) to defray the expenditures required as a result of apportionment to the States of Federal-aid highway funds for the National System of Interstate Highways for such fiscal year. The Secretary of Commerce is then required to determine the percentage which such amount is of the amount authorized to be appropriated for such fiscal year for the construction, reconstruction, or improvement of the National System of Interstate Highways and, notwithstanding any other provision of law, is required thereafter to apportion to the States for such fiscal year for the construction, reconstruction, or improvement of the National System of Interstate Highways (in lieu of the amount which but for the provisions of Senate amendment No. 22 would be so apportioned) the amount obtained by multiplying the amount authorized to be appropriated for such fiscal year by such percentage. Whenever the Secretary of the Treasury determines that there will be available in the highway trust fund (excluding repayable advances) amounts which, after all other expend-

itures required to be made from such fund have been defrayed, will be available to defray the expenditures required as a result of the apportionment of any Federal-aid highway funds for the National System of Interstate Highways previously withheld from apportionment for any fiscal year, he is required to so advise the Secretary of Commerce and the Secretary of Commerce is then required to apportion to the States such portion of the funds so withheld from apportionment as the Secretary of the Treasury has advised him may be so apportioned without causing expenditures from the highway trust fund for the National System of Interstate Highways to exceed amounts available in such fund (excluding repayable advances) to defray such expenditures. Any funds apportioned pursuant to the provisions of the preceding sentence are to remain available for expenditure until the close of the third fiscal year following that in which apportioned.

The House recedes with amendments to change references to the "National System of Interstate Highways" to references to the "Interstate System." The change in references is necessary to conform with the action of the conferees on title I of the bill (see the explanation above with respect to sec. 108 (a) of the conference agreement).

Amendment No. 23: This is a clerical amendment. The Senate recedes.

Amendments Nos. 24 and 25: These are technical conforming amendments. The House recedes.

JERE COOPER,
W. D. MILLS,
HALE BOGGS,
DANIEL A. REED,
THOMAS A. JENKINS,

Managers on the Part of the House.

